REPORT

ON THE

Working of Co-operative Societies in Bihar and Orissa for the year 1929

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FROM

E. C. ANSORGE, Esq., I.C.S.,

REGISTRAR OF CO-OPERATIVE SOCIETIES,

BIHAR AND ORISSA,

To

THE SECRETARY TO THE GOVERNMENT

OF BIHAR AND ORISSA, EDUCATION AND

DEVELOPMENT DEPARTMENT.

Dated Patna, the 2nd August 1930.

SUBJECT:—Annual Report.

SIR,

I have the honour to submit herewith the Annual Report on the working of Co-operative Societies in Bihar and Orissa, for the year ending 31st December 1929. The report was written by my predecessor, Rai Bahadur Durga Prasad, who was in charge of the department during the year.

I have the honour to be,

SIR,

Your most obedient servant,

E. C. ANSORGE,

Registrar.

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Report on the working of Co-operative Societies in Bihar and Orissa for the year 1929.

ADMINISTRATION.

1. *General control.*—I was in charge of the Department throughout the year with a short break from the 3rd September to the 5th October 1929, when I was on leave. During this period Mr. B. K. Gokhale, I.C.S., offg. Secretary to Government, Education and Development Department, acted as Registrar in addition to his own duties. Mr. N. K. Roy continued to hold immediate charge of the three circles in Orissa and Chota Nagpur divisions as Deputy Registrar. He was on leave for six weeks in the beginning of the year with effect from the 2nd January 1929, when his work was carried on directly by me. There were some changes in the personnel of Assistant Registrars but the number of circles remained nine as before. Maulavi Anwar Karim who was in charge of Monghyr circle reverted to the general line from the 3rd September 1929, and in his place Maulavi Qamrul Hoda, Additional Assistant Registrar, Muzaffarpur, was temporarily posted to Monghyr until Babu Bhubaneshwari Sharan Verma, a new recruit, was permanently posted to Monghyr circle on the 13th January 1930. Rai Sahib Phanindra Nath Gupta, who was in charge of Ranchi circle up to the 1st of January 1929, went on leave for three months from the 2nd January 1929, and reverted to general line after the expiry of his leave. Maulavi Abdus Samad Khan who returned from leave in December 1928, was placed in charge of the Ranchi circle from the 2nd January 1929. Maulavi Wasiq Ali who was taken in temporarily as Assistant Registrar in the leave vacancy of Maulavi Abdus Samad Khan as Assistant Registrar of Cuttack circle, reverted to the general line in September 1929, when Babu Durga Prasad Misra was retaken in the Department, and posted as Assistant Registrar of Cuttack circle from the 6th September 1929; but on account of a serious break-down of health Babu Durga Prasad Misra had to go away on long leave from the 12th November 1929. He was succeeded by Babu Satish Chandra Roy, Additional Assistant Registrar, Cuttack, while Babu Sarat Chandra Mukharji, another new recruit who joined this Department in September

1929, was placed as Additional Assistant Registrar, Cuttack. Another new officer recruited during the year is Maulavi Muhammad Maqbul Alam. He joined the Department on the 8th November 1929, and after completing the necessary training has been posted to Gaya as Assistant Registrar of the circle from the 2nd January 1930, in place of Maulavi Saiyid Muhammad Fazle-Huq, reverted to the general line. Babu Mathura Prasad, Assistant Registrar, Bhagalpur circle, held charge of the training institute at Sabour in addition to his own duties and acted as its Principal from August till the end of the year.

The terms of appointment of the three Additional Assistant Registrars in Patna, Muzaffarpur and Cuttack circles were due to expire during the year but have been extended for another year. Babu Jadubans Sahay, Additional Assistant Registrar, who was in charge of Arrah central bank as its Secretary, has been placed in additional charge of the Bhabhua, Buxar and Sasaram banks in Shahabad district. The temporary appointment of the three Additional Assistant Registrars has undoubtedly afforded relief to the circles to which they are attached but it cannot be helped saying that it is only a half measure as the services of these officers cannot be fully utilized until they are given independent charge of separate areas with a separate clerical staff Proposals for the creation of three more permanent circles in order to split up the heavy charges of Patna, Muzaffarpur and Cuttack are before Government since some time but are held up for further examination pending consideration of a scheme of re-organisation which is being worked out.

A table showing the names of the circles, the districts comprised therein and the officers in charge is given below :—

Serial no.	Name of circle.	Districts comprised in the circle.	Name of Assistant Registrar.
1	2	3	4
1	Patna ...	1. Patna ... 2. Shahabad ...	Rai Braj Behari Saran. Babu Jadubans Sahay (Additional Assistant Registrar).
2	Gaya ...	1. Gaya ... 2. Palamau ...	Maulavi Saiyid Muhammad Fazle-Huq.

Serial no.	Name of circle.	Districts comprised in the circle.	Name of Assistant Registrar.
1	2	3	4
3	Bhagalpur...	1. Bhagalpur ... 2. Purnea ...	Babu Mathura Prasad.
4	Muzaffarpur	1. Muzaffarpur ...	Babu Jamuna Prasad.
		2. Darbhanga ...	Maulavi Qamrul Hoda (Additional Assistant Registrar.
5	Chapra ...	1. Saran ... 2. Champaran ...	Babu Jugal Kishore Singh.
6	Monghyr ...	1. Monghyr ... 2. Santal Parganas ..	1. Maulavi Anwar Karim up to 2nd September 1929. 2. Maulavi Qamrul Hoda from 3rd September 1929.
7	Ranchi ...	1. Ranchi ... 2. Hazaribagh ... 3. Manbhum ...	1. Rai Sahib Phanindra Nath Gupta up to 1st January 1929. 2. Maulavi Abdus Samad Khan from 2nd January 1929.
8	Sambalpur	1. Sambalpur ... 2. Singhbhum ... 3. Balasore ... 4. Angul ... 5. Banki-Dompara portion of Cuttack.	Babu Bansi Prasad.

Serial no.	Name of circle.	Districts comprised in the circle.	Name of Assistant Registrar.
1	2	3	4
9	Cuttack ...	1. Cuttack (excluding Banki-Dompara). 2. Puri ...	1. Maulavi Wasiq Ali up to 2nd September 1929. 2. Babu Durga Prasad Misra from 6th September 1929 to 11th November 1929. 3. Babu Sarat Chandra Mukharji, from 12th November 1929 to 21st November 1929. 4. Babu Satish Chandra Roy, from 22nd November 1929.

2. *Honorary organizers.*—There were 22 honorary organizers as against 28 in the preceding year. The appointments of nine honorary organizers were not renewed, while three new appointments were made for Dhanbad, Nimapara and Chaibassa. The services of the honorary organizers continued to be useful to the movement. Renewals were not found necessary in those areas where the banks are sufficiently well established. The total cost to Government on account of their travelling allowance was Rs. 5,068 as against Rs. 5,414 in the preceding year.

3. *Special officers.*—Two special officers and one special inspecting clerk continued to be employed during the year on organization of societies in backward areas. Out of the two special officers, one was attached to the Ranchi circle while the other was employed in developing the Kishanganj area in Bhagalpur circle. In Ranchi circle one central bank was registered at Dhanbad, while the organization of another at Simdega was taken up which is now nearing completion. The special officer deputed to Kishanganj did useful propaganda work and succeeded in organizing several societies. The services of these two special officers have however been dispensed with after the 28th February 1930. The special inspecting clerk

posted at Rajmahal continued to look after co-operative work among the Paharias and in Godda subdivision. This officer's services will be needed so long as a central union is not established at Rajmahal to take complete charge of the societies among the Paharias.

4. *Tours and inspections.*—I spent 122 days on tour and the Deputy Registrar, 178 days. My touring was less than that of previous year owing to my being away on leave in September and October and my ill-health.

The details of touring done by the Assistant Registrars and the Chief Auditor are given in Appendix I.

5. *General progress.*—The total number of societies of all kinds at the end of the year was 9,316 against 9,188 of the preceding year, which means an increase of only 128 against 601 of the last year. Expansion continued to be rigidly controlled in pursuance of the present policy of consolidation and introspection. There was an increase of 20 societies in Laheriasarai, 17 in Cuttack, 16 in Dinapore, 15 in Araria, 14 in Rohika, 13 in Siwan, 12 in Gumla, 10 in Giridih, 9 in Hazaribagh and 8 in Nimapara. The effect of restriction on numerical expansion is not yet as marked in the direction of general improvement as might be desired, but there is sufficient indication that it has succeeded in arresting further deterioration. It has enabled the non-official workers to pay increased attention to the more important problems of weeding out hopeless societies, taking stock of the security of oustanding loans, getting rid of superfluous deposits and arranging for better training and supervision of the members of societies. As was observed in the previous report, "the process of reform is bound to be slow and gradual" in a land where the masses are steeped in ignorance and the number of honorary workers with the requisite leisure, patience, and capacity is restricted. Judged by the test of audit classification the number of model and good societies has increased by 1·1 per cent. while the bad and hopeless ones have decreased by 0·7 per cent. In point of membership, working capital, reserve fund and profits the progress has been satisfactory as will appear from the table overleaf, but with regard to the percentage of collection over demand the position is not yet encouraging. This will be discussed more fully in paragraph 13 below.

THE BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK.

6. *Provincial Bank.*—The apex bank continued to show steady progress. The working capital increased from Rs. 66,45,800

General Progress for 1929.

Class of Societies.	Number actually working at the end of the year.		Membership at the end of the year.		Working Capital at the end of the year.		Reserve Fund at the end of the year.		Profit and loss for the year.		Deposits held at the end of the year.	
	1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.
1	2	3	4	5	6	7	8	9	10	11	12	13
					Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Bihar and Orissa Provincial Co-operative Bank, Limited.	1	1	104	108	66,45,739	73,51,148	3,23,571	3,76,500	+73,715	+67,502	53,57,926	63,79,986
2. Central Banks ...	67	67	11,728	11,819	2,27,35,055	2,28,78,176	6,64,389	7,35,710	+4,56,438	+5,89,889	1,52,40,466	1,52,99,224
3. Agricultural Societies ...	8,532	8,715	2,32,413	2,36,393	2,37,54,167	2,42,94,154	26,96,458	30,51,784	+4,39,191	+4,28,050	7,59,088	8,20,053
4. Non-Agricultural Societies	373	338	22,924	24,835	33,76,536	36,86,694	3,00,411	3,59,950	+1,05,215	+81,283	12,22,444	13,63,761
5. Guarantee Unions ...	214	195	...	...	...	...	...	...	...	...	...	...
6. Bihar and Orissa Co-operative Federation, Limited.	1	1	...	...	...	...	...	...	...	...	...	...
Total ...	9,188	9,316	2,67,169	2,73,155	5,65,11,497	5,82,10,172	39,84,829	45,23,944	+10,74,559	+11,66,724	2,25,79,924	2,38,62,024
Increase over preceding year	601	128	12,402	5,986	62,86,040	16,98,675	6,06,670	5,39,115	1,20,493	92,165	5,14,282	12,82,100

to Rs. 73,51,000 and the paid-up share capital from Rs. 5,05,400 to Rs. 5,56,400. There was an increase of Rs. 10,22,000 in deposits of all kinds which stood at Rs. 63,80,000 as against Rs. 53,58,000. It is gratifying to note that a large portion of the Provincial Bank deposits (30 per cent.) is held by the central banks. The average rate of interest for the various classes of fixed deposits was 5·15 per cent. per annum. The reserve fund of the bank stood at Rs. 2,57,000, which shows an increase of Rs. 23,000 over that of the previous year. The profit for the year amounted to Rs. 1,04,245 as against Rs. 1,02,564 of the previous year. Profits would have been larger but for the fact that there was a slight decrease in the lending rate. It has to be acknowledged that this reduction in the lending rate has done a real service to the movement by enabling the central banks to bring down their own rates to the great relief and satisfaction of the societies. The following comparative table will show how the Provincial Bank has steadily striven to bring about this much desired reform :

	1925.	1926.	1927.	1928.	1929.
Average deposit rate ...	6·81 %	6·38%	6·08%	5·08%	5·15 %
Average lending rate ...	8%	8%	7·6%	6·9 %	6·5 %

The demand for loans, from central banks was normal, and the loans and cash credit balances outstanding at the close of the year amounted to Rs. 42,58,613, which gives an increase of Rs. 1,69,492 over that of the previous year. Excluding the dues from liquidated societies, the overdues against banks and societies amounted to Rs. 1,55,454 and showed an increase of Rs. 31,454. Dinapore bank alone is responsible for an overdue of Rs. 1,12,800 and this accounts for the increase. Dues outstanding against the banks and societies under liquidation amounted to Rs. 1,42,321 of which Rs. 71,197 is considered as doubtful of recovery but the bank has a special reserve of Rs. 99,000 to meet possible losses.

The investments of this bank in other provincial banks remained stationary at Rs. 9,60,000 but those in Government and Trust securities increased from Rs. 15,11,000 to Rs. 20,40,000. Owing to depreciation of Government securities during the year there was a loss of Rs. 35,000 to the bank, but in order to make up such loss separate provision has been made by creating a depreciation fund out of the profits. The bank continued to

enjoy the facilities of cash credit and overdraft to the extent of Rs. 9,00,000 from the Imperial Bank as in previous years, but there was no necessity for availing itself of these facilities as the bank had always enough funds of its own.

The Chairman, Sir Saiyid Ali Imam, K.C.S.I., the Managing Director, Rai Sahib Mihir Nath Roy, and the Secretary Mr. V. M. Thakore continued to render whole-hearted devotion to the affairs of the bank and it is due to their personality that the bank enjoys its present high standard of efficiency and popularity.

The annual report and balance sheet of the bank are appended to this report as Appendix II.

CENTRAL BANKS.

7. *New banks.*—Two new central banks were registered during the year, viz., Dhanbad in Manbhum district and Godda in the Santal Parganas. The total number of banks at the end of the year, however, remained 67 as before owing to the liquidation of the Bettiah Central Co-operative Bank and the Bhagalpur Weavers' Co-operative Stores. The proposal for a central bank at Sahebganj to take charge of the Paharia Societies has not yet materialised and these societies are being financed and supervised by the Provincial Bank through a local Advisory Committee presided over by the Subdivisional Officer of Rajmahal.

8. *Transactions.*—Statistics relating to the operations of central banks are given in statement A appended to this report. Progress in respect of paid-up share capital, profits, and reserve and other funds has been satisfactory, the increase over the corresponding figures of last year being Rs. 83,000, Rs. 1,33,000 and Rs. 67,000 respectively.

9. *Working Capital.*—The working capital of the central banks increased by Rs. 1,43,000 and stood at Rs. 2,28,78,176. The increase was small because, as has been explained in paragraph 5 above, numerical expansion was restricted and two of the old banks, Bettiah Central and Bhagalpur Weavers, had to be liquidated. The paid-up share capital formed 10·2 per cent. of the working capital and reserve and other funds 5·5 per cent. There was further improvement in the proportion of owned to borrowed capital, namely, from 1 : 5·9 to 1 : 5·2. The prescribed standard of 1 : 8 was attained by 60 banks. Of the five banks named in this connection in the previous report the position of Aurangabad, Daltonganj and Chaibassa banks has considerably improved while that of Monghyr bank

has deteriorated from 1:18 to 1:18·2. Araria and Kishanganj banks being new do not deserve any comment.

10. *Deposits.*—Total deposits at the end of the year amounted to Rs. 153 lakhs which shows an increase of only half a lakh over the previous year's figure. Deposits formed 79·7 per cent. of the total borrowed capital, which stood at Rs. 192 lakhs. The small increase in deposits is an evidence of the fact that the central banks have appreciated and adopted the departmental advice of caution in accepting fresh deposits. This must be regarded as a wholesome sign betokening a better realization by the banks of their financial responsibilities. There have been remarkable reductions in the rates of interest during the year under report in a large majority of the banks, the average prevailing rate being 6 per cent. for one to three years' deposits. These reductions far from making the banks unpopular have enhanced their reputation and credit with the result that some of the older banks have received deposits even at 4 and 5 per cent. while those still having surplus had to refuse many offers. It is noteworthy that while deposits by zamindars, agriculturists, professional men, service-holders, money-lenders and traders considerably decreased during the year, those by females increased by about half a lakh. Savings banks deposits continued to be popular and stood at Rs. 14,71,071, which gives an increase of about Rs. 21,000.

11. *Profits.*—The aggregate profits earned by the central banks on a working capital of Rs. 2,28,78,176 was Rs. 5,89,889 as against Rs. 4,56,438 on a working capital of Rs. 2,27,35,055 in the previous year. In other words, although there was an increase of only a lakh in the working capital, the profits increased by nearly $1\frac{1}{3}$ lakhs, which is a highly satisfactory feature. Nawada bank stands first in point of profits with Rs. 28,420, Balasore comes second with Rs. 22,853 and Cuttack next with Rs. 22,318. The other banks that made substantial profits are:—

	Rs.
1. Sitamarhi	21,403
2. Laheria Sarai	20,504
3. Banka	20,229
4. Bhadrak	19,991
5. Siwan	18,875
6. Dinapur	17,725
7. Barh	16,916
8. Jehanabad	16,657
9. Muzaffarpur	16,594
10. Daulatpur	16,358
11. Bhagalpur	15,980
12. Gopalganj	15,474

The Bettiah National Co-operative Bank which incurred a loss of Rs. 539 in the previous year shows a profit of Rs. 717 this year. The other banks that made up their previous losses and worked at a profit are Bihar and Aurangabad banks. Bihar shows a profit of Rs. 2,702 and Aurangabad Rs. 7,750. The only bank that worked at a loss is Kishanganj (a new bank) which incurred a loss of Rs. 86, which was due to its starting work very late in the year.

12. *Reserve and other funds.*—The reserve fund of the banks increased from Rs. 6,64,389 to Rs. 7,35,710 of which Rs. 4,38,023, that is, 59 per cent., are separately invested. The total of reserve and other funds combined was Rs. 12,77,419, which gives an increase of Rs. 67,000 over that of the previous year. The bad debt fund increased by Rs. 45,000 and stood at Rs. 1,78,110. This fund should be more substantially strengthened and I trust the banks will allocate larger sums to it out of their profits. The number of banks with reserves of over Rs. 20,000 rose from 9 to 11. Siwan bank tops the list with Rs. 63,615, Rohika comes next with Rs. 59,211 and Bargarh and Nawada follow with Rs. 39,663 and Rs. 38,938 respectively.

13. *Collection.*—Repayment of loans by societies to central banks again shows a decline, the percentage of collection over demand being 58·9 as against 64·9 of the previous year. The collection was very low in Masaurhi, Ranchi, Khunti, Gaya, Sheikhpura, Gumla, Purulia, Kujang, Bhadrak, Sambalpur and Bargarh. It ranged from 21·3 to 38 per cent. The worst cases are Kendrapara with a percentage of 13·3, Monghyr with 10·3, Dinapur with 7·2 and Arrah with 6·5. Excluding these banks the percentage of the rest works out at 69·06. A sum of Rs. 7,72,915 was outstanding against societies under liquidation, over which the ordinary agencies of collection have little or no control. Collection in liquidation cases is mainly done through certificate procedure and it has been found that the worst cases always entail a lot of litigation which is bound to take a good deal of time. If this sum is eliminated from the calculation of overdues the percentage of collection comes up to 82·7. Moreover, there are large sums in course of recovery through awards, the execution of which through the Civil Courts ordinarily takes from six months to two years. To avoid such delays, opinion is unanimous that awards should also be executed through the certificate courts and the law on the point amended accordingly. This has been included in the draft for the revision of the Co-operative Societies Act submitted to Government. There is no doubt that a good deal of the overdues is attributable to the

"wrath of the gods" exhibited in the failure of crops through drought or inundation, fall in market rates of staple crops and the outbreak of human and cattle epidemics. Even so, the results must be regarded as unsatisfactory and the banks and their staff must make strenuous efforts at improvement in this direction. I trust the Assistant Registrars concerned will also pay increased attention to the realization of overdues.

Appendix III given at the end of this report will show the number of societies under liquidation at the end of the year and the amounts involved. The experiment of appointing whole-time liquidators from the ranks of bank managers or experienced local auditors which was described in the previous report was, during the year under report, extended to the Patna circle. Since the close of the year one more such appointment has been made for the Bhagalpur circle. To meet the monthly cost of the establishment of these liquidators advances are being given by the Federation to be reimbursed out of liquidation costs when realized, but this is putting too much strain on its slender resources and Government have therefore been moved to sanction an advance of Rs. 20,000 to the Federation for the purpose.

14. *Classification.*—The number of societies affiliated to central banks that came under audit classification was 8,043 as against 7,765 in 1928. Comparative figures of the percentage of different classes of societies are given below;—

Class.			Last year (1928).	This year (1929).
A. (Model)	...	...	5·2	5·4
B. (Good)	...	...	15·7	16·6
C. (Average)	...	...	68·4	68·0
D. (Bad) ...	...	...	8·4	7·9
E. (Hopeless)	...	...	2·3	2·1

The above table shows a slight improvement in model and good societies and a corresponding decrease in bad and hopeless ones. The fortunes of a society are so variable for a variety of causes that it is difficult to foresee the time when it would be possible to record the total absence of bad and hopeless societies. It is disappointing to find that Cuttack had the largest number of such societies, viz., 54 (D) and 9 (E). Arrah had 30 (D) and 7 (E), Sitamarhi 28 (D) and 5 (E), and Balasore 27 (D) and 2 (E). The number of bad societies was also heavy in Gaya, Chapra, Motihari, Bettiah National, Cuttack, Jajpur, Kendrapara, Kujang, Puri and Khurda banks. Gaya Circle has got the largest number of A and B class societies, while Muzaffarpur and Chapra circles that come next go close

upon each other's heels. Model, good and average societies form 90 per cent. of the total number and the bad and worst societies form 10 per cent.

WORKING OF CENTRAL BANKS.

15. *Patna circle.*—There were nine central banks in this circle as before. There was a welcome reduction in the working capital of all except Fatwa, Arrah, and Bhabhua banks in which there were slight increases. Fatwa union has started Thana Conferences and Thana Boards as links in the co-operative chain. A director of the union embezzled some money collected from societies. Prosecution has been started against him. Bihar Central Bank which worked at a loss in the previous year has not only made it up but earned a profit of Rs. 2,702. On the other hand, the bad debts which had been reduced from Rs. 50,000 to Rs. 12,000 have now risen to Rs.19,624. Barh bank is also faced with bad debts to the tune of Rs. 53,691 as against Rs. 50,000 of the previous year. Dinapur bank showed extreme slackness in collection. Masaurhi Central Union has extricated itself very much from the maladministration in which it had fallen. Arrah Central Bank shows a slight improvement under the supervision of the Additional Assistant Registrar who has been working as its Secretary. Bhabhua, Buxar and Sasaram banks worked well.

16. *Gaya circle.*—There were five central banks in this circle as before. The Gaya Central Bank has not yet recovered from the effects of past mismanagement. With a working capital of about 9½ lakhs it earned a profit of only Rs. 12,0C0. Collection has gone down from 27·3 to 25·8. Out of the total loans of Rs. 7,93,274 outstanding against the societies as much as Rs. 1,56,136 is due from societies under liquidation. It is not yet known how much of this money is doubtful of recovery. The Nawada Central Bank continued to flourish and again ranks first in the Province in point of profits. It has done a lot of work on the non-credit side of the movement, which will be fully described under the appropriate headings. Jehanabad Central Bank made satisfactory progress in all directions except collection, the percentage of which was only 38·6. The Aurangabad Central Bank which ran into a loss of Rs. 4,357 in the previous year has not only made it up but also shown a profit of Rs. 7,750, which is very satisfactory. The Daltonganj Central Bank is on a fair way but owing to failure of lac, the chief money-producing crop of the area, the collection was unsatisfactory. The bank was fortunate in receiving a grant of Rs. 5,000 from Government for the construction of its building besides a

Government loan of an equivalent amount. The building was completed before the close of the year. It was still more lucky in getting His Excellency Sir Hugh Lansdown Stephenson, K.C.S.I., K.C.I.E., I.C.S., Governor of Bihar and Orissa, to open the building, which ceremony was performed on the 2nd March 1930.

17. *Monghyr circle.*—This circle comprised 11 central banks as against 10 in the previous year, a new central bank having been established at Godda. Six of these banks are in the Monghyr district and five in the Santal Parganas. It is regrettable that the Pakaur Central Bank though registered in 1928 has not yet started work owing to a controversy over the financing of certain societies of the area. The matter is under discussion between the Assistant Registrar of the circle and the Subdivisional Officer. The Monghyr Central Union continued to be in a bad way. As a step to reform it 15 out of its 42 societies have been placed under liquidation. There is a proposal to amalgamate this union with the Khagaria Central Union. Nawal Kishore Lal Das, an inspecting clerk of the union, has been prosecuted for embezzlements detected in the union. The working of the other banks was satisfactory. The Paharia societies of the Rajmahal area continued to be supervised by a local advisory committee consisting of 10 members with the Subdivisional Officer of Rajmahal as Chairman. The question of starting a central bank at Sahebganj for the benefit of these societies is under contemplation.

18. *Bhagalpur circle.*—The number of banks in this circle was reduced from 9 to 8 owing to the liquidation of the Bhagalpur Weavers' Co-operative Stores. Bhagalpur Central Bank continued to work well. Although there was not much appreciable reduction of surplus capital, it made a decent profit of Rs. 15,980, on a working capital of 5 lakhs. Banka Central Union records substantial progress in various directions. The profits earned amounted to Rs. 20,229 on a working capital of Rs. 5,09,900. A change in the system of supervision of the societies was made during the year by the introduction of the circle system. Under this system a group of 30 or 35 societies is placed in charge of a circle officer with his headquarters in the interior. The post of an office superintendent was also created to relieve the manager of desk work and set him free to supervise the work of the circle officers. The results of these changes are noticeable in better collection, the percentage of which is 71 as against 33 of the previous year. A wholesome sign is the individual interest taken by the directors in the improvement of the societies in the circle committed to their

charge. Madhipura Central Bank has made good progress in every respect in spite of the bad effects from the inundations of the Kosi. The Supaul Central Bank has not yet thoroughly recovered from the effects of reckless organization and financing in the past. The members showed little or no inclination to repay the loans due by them and the bank was therefore compelled to take the stern measure of placing 20 societies under liquidation. Now that the worst societies have been weeded out the bank is expected to show good progress in the next report. The Bhaptiahi Central Union could not maintain the standard of improvement achieved last year owing to a huge flood towards the end of October which washed away the promising paddy crop and violent outbreaks of cholera and malaria which took a heavy toll of human lives. In Purnea and Araria there was some fall in the percentage of collection by banks for similar reasons; otherwise their working was satisfactory. The Kishanganj Central Bank though registered in 1928 commenced working very late in 1929.

19. *Muzaffarpur circle.*—There was no addition to the number of central banks in this circle. Of the seven banks, Rohika Central Union continued to be the best in the circle and one of the best in the Province. Its activities on the non-credit side were varied and many, the most notable being in the direction of the advancement of primary education. The fall in the profits from Rs. 18,992 to Rs. 8,647 is ascribed to a reduction in the rate of interest on loans to societies from the beginning of the year, while the corresponding reduction in the deposit rates was given effect to from the middle of the year. The Muzaffarpur bank which has earned a name for sound banking has somewhat neglected the development of its societies. The most disappointing feature is a distinct deterioration in the majority of the societies of Hardi, Jhapha, Kanti and Turki groups. Out of a total of 182 societies as many as 132 have been classed as average while 17 societies have been classed as bad and hopeless. The progress of the Laheriasarai bank has been encouraging. It is noteworthy that some of the members of the primary societies affiliated to this bank have made substantial gifts of land for the introduction of improved agriculture and other works of rural uplift. The Hajipur bank also made good progress. Sitamarhi bank which had been a source of constant anxiety during the past several years has taken up the work of reform and reorganization. Thirty-six out of its 60 bad and hopeless societies have been liquidated. It is faced with bad and doubtful debts to the extent of about

Rs. 40,000 out of a total investment in loans of Rs. 6,71,604. The affairs of Daulatpur bank which is one of the oldest in the province seem to have received a set-back during the year under report, owing to laxity of control and supervision over the societies and the staff. The percentage of collection is hopelessly disappointing being 42·2 as against 85 of the previous year. There has also been distinct deterioration in the audit classification of the societies. Samastipur Central Union continued to suffer from quarrels and dissensions among the directors. Notwithstanding this drawback its progress in collection, expansion, and improvement in audit classification of the societies has been very good. The bank has now put up a beautiful building of its own at a cost of Rs. 13,000.

20. *Chapra circle*.—The number of central banks in this circle decreased from 6 to 5 on account of the liquidation of the Bettiah Central Christian Co-operative Bank, which was reported to be in a hopeless condition in the previous year. Siwan and Gopalganj banks marched shoulder to shoulder in maintaining their reputation for efficiency of management and sound progress. It is gratifying to find that 53 per cent. of the societies in Siwan and 37 per cent. in Gopalganj belong to the groups of model and good societies, while the number of bad societies was only 1 in each. Collection was 84·65 per cent. in Siwan and 82 per cent. in Gopalganj. The history of the Chapra Central Union continued to be a gloomy chapter. The position of the bank in regard to the state of collection and overdues as also in regard to the internal working of the societies remains unchanged. There has not been any appreciable improvement in the working of the societies of the Motihari Central Bank, the number of bad and hopeless societies remaining the same as before. In other respects the bank has worked well. It is refreshing to find that the Bettiah National Central Bank shows an improvement in its working over that of the previous year. The collection and classification show better results and the working of the year has resulted in a profit of Rs. 717 after making up the loss of Rs. 539 of the previous year. There is, however, much danger ahead yet and the risks of a relapse to the old order of things are not entirely eliminated. Sustained efforts will, therefore, have to be made to consolidate what has been achieved to show better progress in future.

21. *Ranchi circle*.—There were 8 central banks in this circle as against 7 in the previous year. The Dhanbad bank which was registered during the year is too

new to deserve any comment. The Chota Nagpur Central Christain Bank continued to be hopelessly mismanaged and impervious to departmental advice and suggestions for improvement. Half the money invested in societies under Bharno, Ranchi and Govindpur guarantee unions is considered bad and irrecoverable. Percentage of collection has gone down from 53·11 to 13·41 inspite of a good year of crops and a liberal revision of *kists*. As there is no hope for its future the bank stands to be dissolved. Purulia Central Bank is in a stagnant condition. The working of the other banks has been fairly satisfactory.

22. *Cuttack circle.*—The number of banks in this circle increased from 8 to 10 owing to the transfer of Balasore and Bhadrak banks from Sambalpur circle. Banki-Dompara again takes the first place among the banks in the circle. The Cuttack Central Bank has become unwieldy and the working of the societies in general has deteriorated. It has got the largest number of bad and hopeless societies. The number of such societies is also very large in Balasore, Puri, Kujang and Kendrapara. These together disfigure the report of the circle, as there are in all 240 bad and hopeless societies in this circle out of a provincial total of 812 as against 180 out of 828 of last year. The condition of Kendrapara bank is getting unsatisfactory owing to the absolute lack of supervision over the work of the staff. Jajpur bank is slowly improving but its investments in loans are not very secure owing to annual floods. Puri bank is causing serious anxiety. About a third of its working capital is invested in industrial societies, one of which has already gone into liquidation while the condition of the others is not very assuring. It will require years of hard work to improve the financial position of this bank.

23. *Sambalpur circle.*—The size of the circle was reduced owing to the transfer of Balasore district to the Cuttack circle. The number of central banks therefore came down from 6 to 4; these are Angul, Chaibasa, Bargarh and Sambalpur banks. Angul again ranks first among them in all respects. Its collection was 98 per cent. and it maintained its unique feature of having no "D" or "E" class societies at all. I hope the example of this bank will be emulated by those of the sister institutions where reform and reorganization and development on sound lines are needed. Sambalpur bank is not yet in a very satisfactory condition. Bargarh and Chaibasa banks are working well except that collection in Bargarh was very low. Bargarh is the only bank in this circle which has got its own building.

Three prosecutions for embezzlement were started in this circle, all of which ended successfully.

24. *General remarks about central banks.*—It is gratifying to find that with a few exceptions the central banks have endeavoured to co-operate with the department in carrying out the policy of consolidation. It must be said to their credit that they have exercised great restraint in the acceptance of superfluous deposits as well as in the issue of fresh loans. The increase of only half a lakh in the total deposits of the banks is highly satisfactory. In the matter of loans to the societies the position is still more encouraging. While the recoveries during the year amounted to Rs. 52,73,850, the new loans issued amounted to only Rs. 49,38,108. The position in the previous year was just the reverse—Rs. 75,48,612 was given out in loans while only Rs. 61,32,849 was realized. It is a distinct sign of healthy improvement in the working of the central banks that they have started realizing more from the societies than what is given out to them in a year. It is only by making the societies pay in excess of what they receive every year that the banks can expect to reduce the load of indebtedness on the societies. It has long been recognized that the rate of interest charged by societies on loans to members, which is generally $15\frac{5}{8}$ per cent. per annum, is much too high and should be reduced if the co-operative societies are to succeed in achieving their object of reducing the burden of indebtedness. To this end the banks have striven with a considerable amount of success. The benefit of reduction in the deposit rates is now being given to the members of the primary societies in the shape of reduction on their own borrowing rates. Many banks have now reduced their lending rates from $12\frac{1}{2}$ to $10\frac{1}{2}$ per cent. and in several banks loans for land improvement are granted at 8 or 9 per cent. while a few charge no interest on loans for seed or manure. Sentiment against the elimination of stagnant and moribund societies is giving place to a healthier sense of duty and responsibility though instances of laxity in control and supervision over the paid staff and the affiliated societies are by no means rare. Increased attention has been paid to the problems of irrigation, agriculture, education, sanitation and medical relief, as will appear from the details given under these headings.

25. *Moral and material improvement.*—It is unnatural to expect any phenomenal improvement in the economic condition of a populace weighed down by the accumulated indebtedness of centuries. Progress in this direction cannot but be slow. The year under report was one out of a cycle of bad years in point of

harvest. Yet the members have been able to make a deposit of Rs. 59,114 out of their slender resources and invest a sum of Rs. 1,75,000 in the shares of their societies. Their total paid-up share capital now stands at 15 lakhs, as against $13\frac{1}{4}$ of the previous year, and the total deposits held by them amount to Rs. 5,97,690 as against Rs. 5,38,506 of the last year. The total quantity of land purchased by the members during the year was 2,313 acres while the area of land redeemed was 2,612 acres. The number of cattle purchased was 23,816. It is noteworthy that during the year there was an increase of only Rs, 2,00,000 in the loans due by members to the societies although the membership increased by 32,000. These are no small achievements for the class of people with whom the movement has to deal. These may not appeal to the impatient critic as sufficiently significant but the real effect of the movement can be seen only by contrast with the condition of men of the same strata who do not happen to be members of co-operative societies. Our progress may be slow but it is sure. Among the methods adopted for encouraging savings deposits in primary societies, the *muthia* system, mention of which was made in the previous report, is becoming increasingly popular, while homesafe boxes are also gaining ground. The reports of the central banks abound with instances where the co-operative societies have used their influence in curbing lavish expenditure on ceremonial occasions. Apart from these benefits the indirect benefit accruing to the members in the shape of saving of interest is by no means insignificant. If the average rate of interest charged by the mahajans be taken to be 25 per cent. which is quite a modest figure, and that charged by a co-operative society to be 15 per cent., there is an annual saving of 10 per cent. to the members. Calculated on this basis there was a saving of 20 lakhs to the members during the year under report. The movement has also succeeded in forcing the mahajans to lower their rates of interest.

On the moral side, the influence of the societies is most noticeable in the direction of curtailment of litigation. The tendency among members and non-members to settle disputes out of law courts through the intervention of the committees of primary societies and the guarantee unions is increasing, which shows the growing confidence of the general public in the decisions of our Panchayats. During the year, 398 cases were instituted in courts by or against members out of which 214 were withdrawn and settled amicably. The number of cases by or against members which were settled without being taken to courts was 439. 52 cases by non-members against non-members

were referred by the parties to our societies for decision, while 118 cases of all kinds were referred by courts to central banks or societies. Had all these cases been fought out in court the cost would have been ruinous to the parties concerned. It would be interesting to report some of the cases decided showing the varied nature of the disputes.

There was a dispute between Hindus and Muhammadans regarding a drinking well in Karansarai Co-operative Society under the Buxar bank. The case was filed before the Subdivisional Officer, but the parties afterwards got it decided by the members of the society and their decision was welcomed. A *mahajan* brought a civil suit against Lalbehari Singh, a member of Benipur society in Barh area for recovery of a prinicipal debt of Rs. 150 besides interest. He got a decree for Rs. 1,200 with cost. An appeal was preferred but ultimately it was taken up by the *punches* and the case was compromised for Rs. 600.

The movement has also succeeded in promoting temperance even among the backward classes. The Kols of Sukinda in Jajpur area are reported to have given up the habit of drinking. The societies have everywhere created a spirit of comradeship, fellow-feeling and joint action for common good among the members. Construction of drinking wells or tanks, repairs to village roads, establishment of primary schools for boys and girls by contribution and similar other activities are now becoming very common.

26. *Agricultural improvement.*—All the banks of the province were engaged in promoting some form of agricultural improvement or other. Their activities in the field of agricultural co-operation have been so vast and varied that it is impossible to report in sufficient detail all that they are doing. Popularisation of improved seeds, implements and manures by means of propaganda and demonstration and, on a limited scale, free distribution, formed the main items of their work. Four Agricultural Inspecting Clerks were employed, one each at Gopalganj, Bihar, Jehanabad and Gaya. They were paid Rs. 40 a month as salary by the Government and the banks concerned paid their travelling allowance. There are several banks which have employed their own agricultural officers of the ranks of inspectors and *kamdars*. The cultivation of improved varieties of sugarcane, Dahia paddy, groundnut, Darjeeling potato, Pusa wheat, Kakaya jute, tobacco, cotton, onions, maize and elephant grass was extended in a large majority of the banks on an increased scale. The acreage under Co. 213 (sugarcane) is reported to be increasing by leaps and bounds in every area where it has been introduced. The sale and use of chemical fertilizers, such as nitrate of soda, gypsum, sulphate of

ammonia, ammophos, chilean nitrate, and *dhaincha* was encouraged by a large majority of the banks, several of which acted as local agents of Shaw Wallace and other fertilizer companies. Some of these companies also lent the services of their propagandists and *kamdars* to the banks for propaganda and demonstration free of cost. The Bhadrak Central Bank has acquired a piece of pasture land measuring about five acres for the cultivation of fodder crops for cattle. The Banka Central Union sold three cane-crushing mills to societies and let out 11 on hire to members. It also organized a manure sale society at Sanjha. With Government loans this union has also constructed a seed and a manure godown at its headquarters. The Agricultural Department supplied a breeding bull to the Araria bank free of cost. The Gaya Central Bank purchased two *Bakhars* (granaries) and two " two seed Drills " from the local agricultural farm. In the Laheriaserai bank one Mahanth Sukhdeo Bhagat of Baheri-tola Barwa society has placed 78 bighas of land at the disposal of the bank along with other properties through a registered trust deed for agricultural demonstration work, and Mr. M. J. Dixon, I.C.S., the Chairman of the bank, has placed a sum of Rs. 600 at its disposal for similar object. The Daulatpur bank incurred a loss of Rs. 600 in stocking 250 maunds of Pusa wheat no. 52 which could not be sold as the seeds were found to be weak and unfit for germination. The Manager of Bettiah Ward's Estate has sanctioned a stipend of Rs. 3-8-0 per month for the training of a *kamdar* for Bettiah National Central Bank, the rest of the cost being borne by the bank. In consultation with the Director of Agriculture further lines of development were determined during the year and a form of indent for seeds, manures and implements was devised. Printed forms for use by the central banks and societies have been stocked by the Co-operative Press. The results of the correspondence with the Director of Agriculture on the subject of seed supply and demonstration by co-operative banks and societies were communicated to all the central banks in the form of a circular letter for their guidance. I beg to acknowledge here the great assistance which this department and the co-operative banks of the province have received from the officers of the Agricultural Department in the furtherance of agricultural development in the co-operative villages.

27. *Land improvement.*—Land improvement continued to receive the attention of the banks. During the year altogether Rs. 73,124 was lent out by societies to their members for this purpose as against Rs. 87,949 in the previous year. Rs. 33,314

was spent in reclamation of waste lands, Rs. 14,133 in construction of *bundhs*, Rs. 14,966 in sinking wells and Rs. 10,711 for *gilandazi*, and similar other purposes. Ranchi and Sambalpur banks spent Rs. 11,757 and Rs. 9,858 respectively for reclamation of waste lands. Six tube-wells were sunk in Balasore, Cuttack and Puri districts. Ten wells were sunk in societies of Bihar bank and three wells were bored in Banka area. Narapat society in Banki Dompara area constructed a *bundh* at Lonisarpathghal and Gopalpat society of the same area also constructed a *bundh*. The Balasore bank contributed Rs. 500 to the repairs of Hathiagarh *bundh*, the total cost of which was Rs. 4,000. Power pumps were demonstrated in Banki, Kujang and Cuttack areas and Rahat pumps in Khurda area. Very good use does not seem to have been made of the oil engine pump set up by the Bhagalpur Central Bank, mention of which was made in the previous report. Five Rahat pumps were supplied by Bhagalpur Central Bank to Saidapur society. Banka Central Union advanced Rs. 290 for sinking wells. The Nawada Central Bank has taken up the construction of two *Pynes*, one at Paura and the other at Badhaul. A demonstration of Rahat pump, screw water lift and Nira water lift was successfully carried out in the societies of Masaurhi union, as a result of which well boring was done in 11 societies. Three members of Kurhawa society in the Muzaffarpur circle excavated a tank by taking a loan of Rs. 1,065 from the society for promoting cleanliness and irrigation. The Gaya bank advanced Rs. 1,380 to Keni and Mahadeva societies for well-boring and Rahat pumps. Gopalganj and Siwan banks continued their contribution of Rs. 50 to Rs. 100 per society for sinking of wells on the condition that the rest of the cost was met by the members by subscription.

All these efforts are no doubt laudable as far as they go but at best they are sporadic and not based on any well defined programme or policy. It appears that the majority of the members have not yet learnt to press their needs for facilities of irrigation on the attention of their central banks. For a long time to come the initiative in these directions will have to be taken by the banks themselves and action should not be deferred on the ground that requisitions are not received from the societies.

28. *Education*.—The advancement of primary education formed a most important item in the programme of all central banks. The total allocation to their Education fund amounted to Rs. 10,234 as against Rs. 10,135 in the previous year, while

the total grant received from district boards was Rs. 7,899 as against Rs. 9,472. 61 new schools were started by the central banks and the total number of schools under their management at the end of the year was 260. It is very satisfactory to find that primary societies also are following the example of the central banks and starting their own Education funds. The total sum contributed to this fund by them amounted to Rs. 1,731 at the end of the year. The largest number of new schools opened was 20, in Ranchi circle. New night schools for teaching adult members of societies to read and write were started by Sasaram, Chaibasa, Daulatpur, Jajpur, Puri, Khurda, Nimapara, Dhanbad, Siwan, Gopalganj and Motihari banks. 16 schools were transferred by the district boards concerned to the control of central banks—8 to Rohika and 8 to Khunti banks Girls' schools are also increasing from year to year. The Kujang Central Union has contributed to the building of the Bellar Nuagan girls' primary school. It is reported that the demand for education in this village is so great that grown up *Pardanashin* women are regularly attending a *Parda* school opened for their benefit. A young girl, the daughter of the Sirpunch of the society, volunteered her services as a teacher and although much younger than her students has done her duties quite well. The Kujang Central Union rightly rewarded her with a gold medal at its last annual general meeting. A large number of central banks that do not maintain their own primary schools are granting aids and stipends to the *Gurus* and the students. Construction of, and repairs to, school houses at the cost of the members of the societies supplemented by grants from central banks and their own Education funds are now becoming common. The Bhaptiahi Central Union continued the grant of the stipend of Rs. 10 a month to a student of the I. A. class who is the son of an ex-member of a liquidated society. The members of societies near Mohamadpur in Rohika area contributed Rs. 600 for the building of a school in that village. The Siwan bank spends a sum of Rs. 48 per month in maintaining primary schools and Gopalganj, Rs. 110. The total amount spent by the Rohika union from the beginning up to the end of the year in the cause of primary education was Rs. 11,175. Kujang Banking Union has drawn up an important scheme of Model Guru Training school intended for utilising the *Gurus* as secretaries of co-operative societies and as village guides on the lines of Mr. Brayne's "Rural Uplift in the Punjab". Training classes for *punches* were organised and held by Khunti, Giridih, Gumla, Dhanbad.

Kujang, Bhadrak, Cuttack, Banki-Dompara, Puri, Balasore, Siwan, Chapra, Bettiah National and Hajipur banks.

The Warsaliganj High English School was started towards the close of the year 1927 by the efforts of the village co-operators headed by Babu Rameshwar Prashad Singh, zamindar of Sambey, a village close to Warsaliganj. The founders decided to place it under the control of the Warsaliganj Educational Co-operative Society which has been functioning as a registered body since August 1926. This school, which is the product of the Warsaliganj Educational Co-operative Society, is the first of its kind in the province. The society has proposed to start an agricultural class in addition to the school classes. The present source of income for its maintenance is subscription from the members of 25 neighbouring societies. The minimum subscription has been fixed at 12 annas per member and the total annual income from this source is estimated at about Rs. 1,000. The Nawada Central Bank to which this educational society is affiliated placed a sum of Rs. 4,781 as a free grant and Rs. 3,000 as loan at the disposal of the society for the construction of the building of the High School. The school has so far attracted 118 students of whom 52 are sons of members, 33 relatives of members and 33 sons and relations of non-members.

The need for the spread of primary education in villages can scarcely be over-emphasised. Ignorance and illiteracy of the members of the village societies has been the greatest stumbling block in the progress of the movement. The motto "each for all and all for each" will remain an empty embellishment unless each co-operative society were made the centre of education in every village.

29. *Sanitation and medical relief.*—The number of banks that actively interested themselves in the promotion of village sanitation and medical relief was not very large. The main items of work under these heads were free distribution of approved medicines, chiefly homeopathic, during cholera and other epidemics, disinfection of wells, and construction of new wells for drinking purposes. The names of Aurangabad, Nawada, Siwan, Gopalganj, Banki-Dompara, Bhaptiahi, Bhagalpur, Masaurhi, Arrah and Buxar banks deserve special mention in this connection. An anti-epidemic society was registered in Aurangabad but it did not start work till the close of the year. Nawada bank supplied 2 homeopathic chests to 2 of its circle Supervisors for free distribution of medicines to the members.

Homeopathic medicines are also distributed free by the Banki-Dompara Central Union and the guarantee unions affiliated to it. The Ayurvedic dispensaries under the Laheriaserai bank continued to do good work. Encouraged by the results a new dispensary has been organized by the same bank at the head-quarters of the Benipur guarantee union. A sweeper was appointed by the Hajisarai co-operative society in Jahanabad area to sweep the lanes of the village. In Khurda area cleaning of villages is regularly done once a month in several societies. Three societies in Mahadah in Buxar area have also engaged sweepers to clean the village lanes twice a month. The members of Hussaina, Rajanpura and Khawaspur societies in Siwan and Amwabijaypur and Miratola in Gopalganj constructed and repaired village approach roads, raised embankments and filled up insanitary pits. In Lakhaura society under the Motihari Central Bank people were in great difficulty for want of a well for drinking purposes. The district board was approached without success. The central bank came to their aid and got a well sunk in the village at its own cost. A Myer's pump has also been set up at the cost of the bank in Mescot Mehtar society. The Bhaptiahi Central Union deputed its whole staff to render medical aid to the sufferers of malaria and cholera which were spreading furiously in most of the societies. The prompt action taken by the bank succeeded in saving several lives and in affording relief to a large number of people. The Samastipur Central Union has succeeded in persuading several societies to make pits, removed from human habitation, for the storage of cow-dung and other domestic refuse, with the object of improving the sanitation of the villages and at the same time preserving the refuse and rubbish for use as manure.

30. *Cottage Industries.*—The introduction of cottage industries in the primary societies as a secondary occupation for the leisure hours and slack seasons of the agriculturists has not yet been taken up on an organized scale by any central bank. Co-operators in general recognize that it is necessary to provide some sort of cottage industry for the members of agricultural societies whereby they can supplement their income from the fields which is not always certain. Yet, it is disappointing to see, very little has been done in this direction. As the banks and the societies all profess to exist for the welfare of the members too much emphasis cannot be laid on the need for providing facilities for the introduction of small industries suited to the tastes and requirements of particular localities. The work so far done is confined to the rearing of Eri-silk worms and the

spinning of cotton threads on *charkhas*. These again are not sufficiently widespread nor is it possible to recommend them universally. Central banks will therefore do well to survey the possibilities of introducing other forms of cottage industries in their respective areas, such as rope, basket, mat and toy making, poultry, goat and sheep rearing, vegetable and fruit growing, embroidery and needlework.

Eri-silk rearing continued to receive greater attention in Siwan, Gopalganj, Rohika, Sitamarhi, Hajipur, Bargarh, Fatwah and Masaurhi areas. This industry received a slight set back in several banks of the Cuttack circle owing to a shortage of castor leaves. Several banks maintained their own special Eri-rearers. The Banki Central Union reduced its staff of rearers as the process of rearing has become widely known. The rearers are now engaged in teaching the people how to spin the yarns. The Kujang and Kendrapara banks temporarily maintained instructors to teach the people the art of jute-spinning and making of hessians and jute carpets.

GUARANTEE UNIONS.

31. The number of guarantee unions further decreased by 19 and stood at 195 at the end of the year under report. In Gaya circle, which possesses the largest number of guarantee unions, there was an increase by one making a total of 58. In Chapra circle also there was an increase by one, the number being 19. The number of guarantee unions in Patna, Muzaffarpur, Ranchi and Cuttack circles was stationary while in Bhagalpur and Monghyr circles there was a decrease from 24 to 5 and from 12 to 11, respectively. As reported last year all the bad guarantee unions of Bhagalpur circle were closed. Guarantee unions have generally proved failures and registration of new ones has been stopped by the Department until the soundness of adding this link in the co-operative chain has been thoroughly considered by the Committee on Co-operation which may meet next cold weather.

AGRICULTURAL SOCIETIES.

32. *General.*—The progress in the number of agricultural societies of all classes was even more restricted than that in the last year, the increase being by only 183 as against 598, which brings the total number of these societies to 8,715 at the end of the year. Their membership increased from 2,32,413 to 2,36,393 and the paid-up share capital from Rs. 13,27,884 to Rs. 15,06,626, *i.e.*, by over one and three-fourth lakhs. It is regrettable to find that although the working capital of these societies increased by

about five and a half lakhs and stood at Rs. 2,42,94,154 at the end of the year the profit which amounted to Rs. 4,28,050 was less by Rs. 11,000 than that of the last year. There was, however, satisfactory increase, by over three and a half lakhs, in the Reserve Fund which stood at Rs. 30,51,784. It is gratifying that the proportion of share capital and reserves showed further improvement and formed 18·7 per cent. of the working capital as against 16·9 last year. There was a decrease by about $20\frac{1}{4}$ lakhs in the amount of loans given out to society members. This signifies that financing of the members has been more cautious and restrained.

33. *Primary credit societies with unlimited liability.*—The number of primary societies increased by 193, the total number at the end of the year being 8,624 as against 8,431 last year. The membership of these societies increased from 2,04,564 to 2,11,778. There was however a very slight increase in the average membership per society, it being 24·5 as against 24·2 last year. The paid-up share capital increased from Rs. 12,63,421 to Rs. 14,45,025 and the reserves from Rs. 24,57,823 to Rs. 27,59,170 The profit amounted to Rs. 4,04,199 as against Rs. 3,97,959 of the last year. The working capital stood at Rs. 2,38,64,102 as against Rs. 2,38,73,376 in the previous year. The profits work out at 1·7 per cent. of the working capital as in last year. It is, however, gratifying that the cost of management of the societies decreased by Rs. 19,000 from Rs. 1,60,000 to Rs. 1,41,000. There was a further increase by Rs. 90,000 in the members' deposits which stood at Rs. 5,92,000 as against Rs. 5,02,000 of the last year while the non-members' deposits decreased by Rs. 12,000 from Rs. 2,32,000 to Rs. 2,20,000.

34. *Purchase and sale societies.*—There was no increase in the number of societies of this class, the number being 4 as before. Two societies in Khunti and Monghyr banks ceased to work while two more, viz., one in Gaya Sadr and one in Banka area, were registered during the year. These now stand thus:—one in Gaya Sadr, one in Nawada and 2 in Banka. The society in Gaya Sadr (Manpur Agricultural Society, Limited) incurred a loss of Rs. 125 because it started working late in the year and had to incur heavy preliminary expenses. The society in Nawada earned a profit of Rs. 115 on a working capital of Rs. 968, while the two societies in Banka sustained a loss of Rs. 182 on a working capital of Rs. 1,419.

35. *Agricultural sale societies.*—All the societies of this class that existed last year went into liquidation except the one in Motihari. The working of this society also was not satisfactory

and it sustained a loss of Rs. 357 on a working capital of Rs. 1,843.

36. *Dairy society.*—It is regrettable that the one society of this class, viz., the Mayagang Goala society in Bhagalpur, ran into a loss of Rs. 387 on a working capital of Rs. 4,416. The society has, however, done good service to the public by its supply of pure milk.

37. *Irrigation societies.*—There was one more addition and the societies of this class numbered 4 at the end of the year. The new society was registered in Kendrapara (Cuttack district). In the three societies of Fatwah area there was an increase in the membership from 140 to 167 and in the working capital from Rs. 6,062 to Rs. 7,017. The societies were seriously affected by the heavy floods which badly damaged the embankments raised by the societies. The Aul Irrigation society in Kendrapara suffered a loss of Rs. 3,694 due to mismanagement and want of technical staff and may have to be liquidated.

38. *Rent paying societies.*—There was only one such society in Nawada, which suffered a loss of Rs. 11.

39. *Grain Golas.*—The number of grain golas further decreased by 7 and stood at 76 at the end of the year. Two new golas came into existence in the Santal Parganas while 4 golas of Sitamarhi, 2 of Sambalpur and one each of Supaul, Bhaptiahi and Cuttack Sadr were placed under liquidation. There was also a fall in membership from 27,249 to 23,810. The working capital of the golas increased from Rs. 3,50,742 to Rs. 4,02,726 but the profit decreased from Rs. 45,566 to Rs. 27,877. It is, however, a matter of satisfaction that the total Reserve Fund was further augmented by Rs. 56,000 and stood at Rs. 2,90,291 at the end of the year. There were 7 golas in the Santal Parganas. With the exception of the two golas in Godda and Pakaur which sustained a loss of Rs. 3,674, the others worked satisfactorily. They were of great help to the poor Santals and many more are required to ameliorate the condition of the people of that area. The gola in Banka area is in a moribund condition and as soon as the outstanding dues are realized it will be closed down. The gola in Madhipura area is also proposed to be sent into liquidation. The golas in Gaya and Ranchi circles are on the whole working well except the one in Giridih which sustained a loss of Rs. 27. In Cuttack circle there were 11 golas. Of these only two worked well and earned small profits while all the rest worked at a loss. The total loss sustained by these golas amounted to Rs. 1,607, out of which the Banpur gola in Khurda is alone responsible for Rs. 1,219. The loss in this

case was due to accumulation of overdues consequent on bad management and to a large sum of over Rs. 2,000 having been locked up in the gola building which it had to construct at its own cost. There were 35 golas in Sambalpur circle--one in Sambalpur and 34 in Angul. The gola in Sambalpur area suffered a petty loss of Rs. 3. It is however gratifying that the 34 golas in Angul worked satisfactorily and were able to record progress in all directions. The membership increased from 11,9J8 to 12,271 and the working capital from Rs. 1,36,599 to Rs. 1,58,588. The profit on the year's working amounted to Rs. 22,689 as against Rs. 17,753 and the Reserve Fund stood at Rs. 76,118 as against Rs. 56,921 of the previous year.

NON-AGRICULTURAL SOCIETIES.

40. *Credit societies with limited liability.*—There were 79 societies of this class working at the end of the year comprising a membership of 16,214 as against 77 societies with a membership of 14,348 last year. They earned a profit of Rs. 1,14,491 on a working capital of Rs. 25,49,043 as against a profit of Rs. 1,05,675 on a working capital of Rs. 22,09,897 of the previous year. There was, however, a slight decrease in the percentage of profit in relation to the working capital which worked out at 4·5 as against 4·8. There was also a decrease in the members' deposits by Rs 6,0 0 while deposits by non-members increased by Rs. 1,42,000. These two kinds of deposits stood at Rs. 9,01,027 and Rs. 3,83,243, respectively at the end of the year. With a few exceptions the working of this class of societies was satisfactory. Of the societies of ministerial officers and wage-earners, the Patna Secretariat Co-operative Banking Association continued to be the largest and the most progressive. Its membership increased from 616 to 641 and working capital from Rs. 1,35,722 to Rs. 1,55,399. It earned a profit of Rs. 9,538 as against Rs. 8,891 of the previous year. The Ranchi Ministerial Officers' and the Accounts Office Co-operative Societies both continued to work well. Of the 22 societies amongst the employees of the Tata Iron and Steel Company, only one, viz., the Tisco Smith Shop was classed as 'hopeless.' It has since the close of the year been re-organised and is expected to improve. The Tisco Accounts Office, Tisco Open Hearth and Tisco Coke Ovens Department co-operative societies continued to rank as model societies while the others were either 'good' or 'average'. The working capital of the 3 'A' class societies named above increased from Rs. 1,65,679 to Rs. 1,96,081. The average collection of debts from the members was 98 per cent. and the year's working resulted in a profit of Rs. 12,051 as against

that of Rs. 11,398 of the last year. The working of the two societies of the Golmuri Tinplate Company, viz., Tinplate Friends and Tinplate General was affected owing to labour trouble and continued strike. Out of the entire loan outstanding against the members amounting to Rs. 28,774, Rs. 27,413 has become overdue. The question of compulsory deduction from the wages of the employees was brought to the notice of the Company and is engaging their attention.

41. *Provincial Associations.*—There were two more additions to the list of such societies, viz., the Bihar and Orissa Excise Officers' and the Bihar and Orissa Income-tax Department Co-operative Societies, the total number being seven at the end of the year. The Bihar and Orissa Provincial Civil Service Association had the largest working capital amounting to Rs 3,14,034 but the Bihar and Orissa Posts and Telegraphs Co-operative Society continued to occupy the first place in point of membership, which increased to 1,131 during the year. As in the last year the percentage of profit to the working capital was highest in the Bihar and Orissa Police Officers Co-operative Society. The Bihar and Orissa Provincial Civil Service Association earned a profit of Rs. 6,552 on a working capital of Rs. 3,14,034, while the Police Officers Co-operative Society earned a profit of Rs. 5,896 on a working capital of Rs. 1,02,178. The profit was 2·08 per cent. of the working capital in case of the former and 5·8 per cent. in the case of the latter. The collection in the latter society was cent. per cent. The Bihar and Orissa Posts and Telegraphs and the Education Department Co-operative societies also worked satisfactorily and earned profits amounting to Rs. 5,761 and Rs. 871 on a working capital of Rs. 1,33,057 and Rs. 31,762, respectively. The Agriculture Officers, the Excise Officers and the Income-tax Department co-operative societies are infant institutions and worked at small profits.

42. *Contractors' societies.*—The contractors' society at Monghyr was liquidated during the year and the one remaining in Nawada is also in a moribund condition.

43. *Fishermen's societies.*—The number of these societies remained 59 as before. Fifty-three societies are in Khurda round about the Chilka coast, three in Kujang, two in Puri town and one in Banki area. Half the societies of the Chilka coast earned profits amounting to Rs. 1,058 while the remaining half incurred a loss of Rs. 691. The societies in Puri town and Banki area also worked at a loss. The year's working of all the fishermen's societies taken together resulted in a net loss of Rs. 1,082, for

which the two societies of Puri town which incurred a loss of Rs. 1,491 were chiefly responsible. One of them is proposed to be liquidated. The other, viz., the Nulia Fishermen's Society which showed some improvement last year has again deteriorated as the members were not able to pay even the interest due, on account of poor catches of fish and the evil habit of drinking to which they are addicted. Attempts were made to reform them and a common hall has been constructed to serve as a meeting place for the members where tea and music is proposed to be provided in order to wean away at least the younger members from the evils of drinking.

44. *Home Industries Associations.*—No new societies of this type came into existence. The Khunti Home Industries Association is reported to be doing well and earned a small profit of Rs. 97 on a working capital of Rs. 1,652, while the Purulia Home Industries Association met with a loss of Rs. 1,759 on account of mismanagement. The Rampalla Home Industries Association in Sambalpur again suffered a loss of Rs. 2,952. The case of defalcation against its clerk reported last year has ended in his conviction. The society will be closed down after the dues have been realized by awards.

45. *Housing society.*—No new society of this type was registered. The Pioneer Co-operative Housing Society at Patna had 80 members on its rolls. It has not yet started the work of construction of houses in full swing. It is seriously handicapped in its work on account of difficulties in the acquisition of suitable sites.

46. *Artisans' and Traders' societies.*—The most important societies of this class are the People's Bank, Patna City, and the Traders' Bank, Bankipur. They continued to work satisfactorily. They were able to increase their membership from 965 to 1,060 and from 301 to 327, respectively. Their working capital at the end of the year stood at Rs. 1,73,104 and Rs. 2,87,058, respectively as against Rs. 1,37,900 and Rs. 2,58,075 of the last year. The respective profits earned by them amounted to Rs. 4,789 and Rs. 5,992 as against Rs. 6,595 and Rs. 1,402 of the last year. The Carpet society of Gulzarbagh again suffered a loss of Rs. 798 on a working capital of Rs. 38,533. The two traders' banks in Muzaffarpur Circle—one at Muzaffarpur and the other at Darbhanga—are reported to have made good beginnings. The former earned a profit of Rs. 1,632 on a working capital of Rs. 70,271 and the latter made a profit of Rs. 183 on a working capital of Rs. 14,289. The Industrialists' Co-operative Society at Siwan is expected to be a great help to the local potters,

dyers and calico printers who hitherto used to be at the mercy of the money-lenders of the place for supply of small capital for their trade. It is still in its infancy and could earn a small profit of Rs. 45 on a working capital of Rs. 1,658.

No new bell-metal society was started during the year, but of the six bell-metal societies in Cuttack five ran into loss. The only successful society of this class was the Baidyarajpur society. It earned a profit of Rs. 1,603. The success of this society while others have failed is attributed to the interest taken by the members in the working of the society and to the absence of a rural bell-metal merchant in the vicinity. The net loss sustained by all the bell-metal societies was Rs. 22,828 on a working capital of Rs. 1,65,953. It is some consolation, however, that the societies have accumulated reserve and other funds amounting to Rs. 11,107. The main causes of failure of these societies are the disloyalty of the members, the difficulty of finding suitable wholesale markets and the strong competition of big rival merchants. The post of Supervisor of these societies has ceased to exist. The Rampella bell-metal society in Sambalpur again suffered a loss of Rs. 71 against Rs. 367 of last year. The society will be closed down after the loans outstanding against the members have been realised. There was also another petty society in Bargarh area which worked at a small profit. The only bell-metal society of Bhagalpur ran into a loss of Rs. 1,975 this year on a working capital of about Rs. 16,000 due to the interest charges on the bank loan, the cost of establishment and want of proper market. Goods worth Rs. 31,000 were sold and the stock at the end of the year amounted to about Rs. 15,000. Appeals were made to the central banks in the province to patronise the society and push on the sale of its goods in their respective areas but the response was disappointing. It is now proposed to set up agencies in various towns.

47. *Co-operative Presses*.—The working of the Shree Radhanath Co-operative Press continued to be satisfactory. For this, credit is due to its Honorary Secretary and Manager who are directors of the Cuttack Central Bank. Its membership has slightly decreased from 22 to 18 but there was an increase in the working capital from Rs. 8,615 to Rs. 8,764. It was able to earn a profit of Rs. 938 against Rs. 247 of last year. The Purnea Co-operative Press and Store did not function properly and incurred a loss of Rs. 1,345 on a working capital of Rs. 7,946. A warning has been given to the Managing Committee to improve its affairs.

48. *Public Health societies.*—The Bhitbherwa Anti-Epidemic and Public Health Society in Gopalganj is practically in a moribund condition and may have to be closed down. Two more societies were registered in Cuttack Circle during the latter part of the year but only one commenced work while several such societies are reported to be in course of formation.

49. *Societies for depressed classes.*—These societies mostly consist of *domes, mehtars, chamars* and other low caste members. They generally worked unsatisfactorily. Of the six societies in Motihari the highest amount of loss (Rs. 508) was sustained by the Sugouli Chamar Co-operative Society. Only three societies worked at very small profits. All the six societies had 138 members and a total working capital of Rs. 7,944. Muzaffarpur Circle had five such societies. One of them is located at Muzaffarpur, one at Hajipur and three are in Sitamarhi. Two of the Sitamarhi societies ran into a loss of Rs. 67 while the others worked at small profits. There were 9 societies in Cuttack Circle, 7 of these were poultry-breeding societies, and the remaining two consisting of *Bauris* and *Betras* (day labourers and cane-basket makers). These societies had very small capitals and sustained a total loss of Rs. 78. The *mehtar* and *chamar* societies in Ranchi worked well.

50. *Weavers' societies.*—The Ranchi Weavers' Stores is in a precarious condition and sustained a loss of Rs. 1,386 on the year's working. The directorate of the stores have not yet fulfilled the conditions imposed by Government for the grant of a subsidy to wipe off the losses sustained by the stores. An appeal for financial assistance recommended by the Registrar has since the close of the year been issued by the Stores to all central banks in the province and the results are awaited. The societies under the Bhagalpur Weavers' Stores were, with a few exceptions, all placed under liquidation. The number of weavers' societies in Cuttack Circle decreased by 2, the number being 30 at the end of the year. The total membership of these societies was 479. The total profit earned was Rs. 555 on a working capital of Rs. 27,763. A door *purdah* made by the Dhalpathar Society (Khurda area) was much admired at the Wembley Exhibition and orders for more purdas of that pattern were received. In Sambalpur Circle there were 20 weavers' societies as against 17 of last year comprising 399 members. These societies are generally working well. Their working capital amounted to Rs. 24,632 on which a net profit of Rs. 1,059 was earned. Nine weavers' societies worked in Monghyr Circle during the year. They earned a profit of Rs. 348 on a

working capital of Rs. 5,022. The two weavers' societies at Sasaram and Bhabhua ran into a loss of Rs. 41 and Re. 1, respectively, while the Obra Weavers' Society in Aurangabad area worked at a small profit of Rs. 89. A *purdah* weaving society was organised at Bihar. This society will manufacture *purdahs* for export. The working of the society will be supervised by the Industries Department, which has undertaken to purchase the society's products for a year, after which the society is expected to have direct dealings with overseas merchants and dealers. 2,038 looms including fly-shuttle looms were worked by the weavers' societies of the province. The largest number, 726, was worked by societies in Cuttack Circle. Sambalpur comes next with 540.

51. *Stores.*—The Pusa Friends Union Co-operative Store continued to be the most successful store in the province. It had 136 members on its rolls and with a small working capital of Rs. 3,226 it earned a profit of Rs. 1,073. The Greer Bhumihar Brahman College Store had 117 members and worked at a profit of Rs. 109 with a working capital of Rs. 518. The Patna Secretariat Co-operative Stores had the largest membership numbering 323. There was an increase in its working capital from Rs. 26,888 to Rs. 28,591 but the profit earned amounted to Rs 943 only as against Rs. 3,073 earned last year. This store had the honour of receiving a visit from the Hon'ble Minister of Agriculture of Bombay who was very pleased with its working. The Patna College Store was registered during the year and made a good start. It had 269 members at the end of the year and with a small working capital of Rs. 920 earned a profit of Rs. 80 during the short period of its existence. The Kanke Co-operative Stores which had the biggest working capital of Rs. 35,583 sustained a loss of Rs. 2,088. The Ranchi Accounts Office Store made a profit of Rs. 1,620 with a working capital of Rs 15,422. It is, however, reported to have a large amount of overdues from members and to have fallen a prey to party factions. The Samhari Stores in Nawada had a small working capital of Rs. 261 and ran into a loss of Rs. 24. The working of the Motihari Zilla School Store continued to be unsatisfactory. It ran into a loss of Rs. 68. The Bettiah Raj High English School Store worked satisfactorily and made a profit of Rs. 113 on a working capital of Rs. 953. The Ravenshaw College Store had 197 members and earned a profit of Rs. 363 with a working capital of Rs. 4,209. The Balugaon Fishermen's Stores of Khurda (district Puri) passed through a crisis during the year and its losses which it had hoped

to wipe off by prawn business again mounted up to Rs. 8,721. The prawn season was poor this year and in the midst of the busiest period the store was dispossessed of its curing yard and godown by an influential local zamindar and a rival fish-merchant. The embarrassments of the store were further increased on account of the lease of Khas-mahal fisheries in the Chilka lake having been refused to the store which it enjoyed in previous years. The Automobile Co-operative Association, the Cycle Co-operative Stores and the Electric Stores worked in Bhagalpur town. The Automobile Association showed distinct improvement this year. Its membership increased from 92 to 106 and working capital from Rs. 15,825 to Rs. 17,496. The year's working resulted in a profit of Rs. 79 as against a loss of Rs. 218 in the previous year. The Cycle Co-operative Stores also worked well. Its working capital increased from Rs. 913 to Rs. 1,594 and the profit earned was Rs. 90 as against Rs. 34 of the previous year. The Electric Stores too continued to progress. Its membership increased from 92 to 131 and the working capital from Rs. 8,167 to Rs. 13,676. The profit earned amounted to Rs. 449 against Rs. 226 of the previous year.

The organization of a group of stores and savings societies for the benefit of the labour population of Jamshedpur is engaging the attention of the Department. A good deal of spade work had been done by the Deputy Registrar, for which great credit is due to him.

INSPECTION, AUDIT AND TEST AUDIT.

52. *Inspection.*—All the banks were inspected by the Assistant Registrars concerned. The standard of 5 per cent. inspection of primary societies prescribed last year was generally reached.

53. *Test Audit.*—The prescribed percentage of test audit by Assistant Registrars was attained in all the circles except Gaya, Bhagalpur and Ranchi where it fell short by 0·4, 1·7 and 1·1 per cent., respectively. The highest number of test audit was again done in the Muzaffarpur Circle, the percentage being 8. Of this 5 per cent. was done by the Assistant Registrar and 3 per cent. by the Additional Assistant Registrar.

The standard of 5 per cent. test audit by Assistant Auditors was reached only in Gaya, Cuttack, Sambalpur and Monghyr Circles. The percentage was most inadequate in Muzaffarpur Circle being only 0·9 while it fell short in Patna Circle by 1 per cent., in Ranchi by 0·1 per cent., in Chapra by 0·8 and in Bhagalpur by 0·4. These low percentages are accounted for by

the fact that the staff of Assistant Auditors was reduced from 11 to 10 in the second half of the year owing to the appointment of Babu Sidheshwar Ghose as a Lecturer in the Sabour Co-operative Training Institute.

Mr. P. Sen Gupta, the Chief Auditor, worked throughout the year and spent 144 days on tour. He personally conducted the original audit of (1) the Bihar and Orissa Provincial Co-operative Bank for the first half year, (2) the yearly accounts of the Bihar and Orissa Co-operative Federation including its Development Branch and the Co-operative Press, (3) the accounts of the Development Fund of the Nawada Central Bank, and (4) the Sitamarhi Central Co-operative Bank. He also test audited eight central banks, one store and five societies.

The quality of audit by the Assistant Auditors has very much improved and there is also marked improvement in the book-keeping of the banks and the rectification of defects noticed in audit.

54. *Audit.*—Out of 9,188 societies of all kinds due for audit during the year 8,930 were audited.

FEDERATION.

55. *Federation.*—There was no change in the constitution of the Federation. Rai Sahib Raj Prakash Narain, one of the Federation Councillors, to whom some powers were delegated by the Governor continued to assist him in its administration till the end of April 1929. In July Mr. D. D. Sondhi, another Councillor, was appointed Secretary of the Federation. He was given full powers to operate on the bank accounts, pass all bills, grant advances to the Federation employees and sign licenses and service books.

The Council met thrice during the year. The annual session of the Federation Congress was held at Cuttack from the 4th to 6th May 1929 under the presidentship of the Hon'ble Mr. V. Ramdas Pantulu.

Mr. D. D. Sondhi attended the All-India Co-operative Institutes Conference held at Bombay in September 1929 as a representative of the Federation.

The total receipts for the audit section during the year amounted to Rs. 1,97,117 including the Government subsidy of Rs. 75,625. The total expenditure was Rs. 2,04,477. The arrear contributions due from central banks and societies at the end of the year amounted to Rs. 43,700.

The total amount of subsidy received from Government including the grant to the development branch was Rs. 88,125 as detailed below, out of which Rs. 5,000 was received on account of arrear subsidy to the Development section, of the previous year.

		Rs.
(1)	For the audit of primary societies	51,434
(2)	For the entertainment of assistant auditors ...	16,672
(3)	For the maintenance of inspecting clerks ...	6,000
(4)	For the training of probationers	2,500
(5)	For the supply of account books to new societies	1,519
(6)	For propaganda	10,000
	Total	88,125

The Bihar and Orissa Co-operative Press made satisfactory progress during the year. The working resulted in a profit of Rs. 4,117 as against a loss of Rs. 735 in the previous year. Towards the middle of the year the Press was placed under the direct control of the Assistant Registrar of the Patna Circle. A new experienced Manager was appointed and there has been a great improvement in its book-keeping and business. The recommendations of the sub-committee appointed by the Cuttack Congress to take steps to convert the Press into a share society were received in November last and approved by the Council with slight modifications.

The post of the Development Officer was abolished from 1st August last and the development and audit sections were amalgamated and placed under the control of the Federation Secretary. There were 5 Propaganda Officers as before—one for each division—and they were controlled by the Federation through the Divisional Federation Boards in accordance with a resolution of the Co-operative Congress held at Cuttack. All these officers were usefully employed throughout the year.

Maulavi Khalilur Rahman, Propaganda Officer of Bhagalpur Division, was sent to Madras for three months to study rural reconstruction prior to his appointment as a lecturer on that subject in the Co-operative Training Institute at Sabour. Maulavi Abdul Hameed, Propaganda Officer of Patna Division, was sent to the Punjab where he studied co-operation from the middle of September to the end of October. Maulavi Jamil Ahmad Jafri, an outsider, was sent to Lucknow for receiving training in poultry farming for a period of three months from December.

The most notable achievement of the Federation during the year was the establishment of a co-operative training institute

at Sabour and a training school at Cuttack. These institutions have been started on a permanent basis in order to replace the previous system of holding temporary training classes for a few months in the year which was not regarded as sufficient or satisfactory. The Sabour institute started work in August and the Cuttack school in September 1929. The teaching staff of the Sabour institute consisted of the following lecturers and the subject taught by them are shown against each :—

(1) Babu Mathura Prasad, B.A., Assistant Registrar, Bhagalpur Circle, Principal—Acts and by-laws.

(2) Babu J. P. Misra, M.A., B. COM., F.R.E.S. (London), Vice-Principal—Theory and Practice of Co-operation.

(3) Babu Sidheshwar Ghose, B.A.—Accounts.

(4) Maulavi Khalilur Rahman, B.A.—Rural reconstruction.

About 150 probationers were recruited from different centres for training at the institute. Out of these only 85 joined the classes while 15 probationers left the institute before the close of the year. The number on the roll on 31st December 1929 was 70. Out of these two were receiving training as assistant auditors, 5 as managers, 13 as local auditors, 31 as inspecting clerks and 19 as bank clerks. There were two standards of training, viz., senior and junior. The senior class consisted of assistant auditors and managers and the junior consisted of the other three classes of probationers. The probationers of the senior class were at least graduates while probationers of the junior class were those who had passed the Matriculation, I.A. or I. Sc. examination. Besides the regular lectures, arrangements were also made for short courses of lectures on public health, cottage industries, veterinary matters and agricultural improvements by expert officers of the departments concerned. The institute was organized on the lines recommended by the sub-committee appointed by the Co-operative Congress held at Cuttack and approved by the Council. As the session was not over at the close of the year the results of the training could not be embodied in this report. Refresher classes were also held for six weeks from the 1st of November 1929 for old employees of the banks, which were attended by eleven officers sent by different banks.

The teaching of the Cuttack training school was confined to the training of candidates for employment as bank clerks and inspecting clerks. The staff consisted of one Superintendent and two lecturers. There were 37 students on the rolls at the end of the year, eight being trained for bank clerkship and the

rest for inspecting clerkship. A refresher class for old employees of banks was held in the banks for three weeks which was attended by three inspecting clerks and eight bank clerks. Besides the regular lectures, Mr. N. K. Roy, the Deputy Registrar, Babu S. K. Roy, the Propaganda Officer of Orissa Division, Babu S. C. Mukherjee, Additional Assistant Registrar, Cuttack Circle, Rai Saheb P. C. Patnaik and an Inspector of Agriculture of the Cuttack Central Bank also delivered lectures to the probationers.

Both the institute and the school received the necessary funds from the Federation. The total cost of the scheme is estimated at Rs. 44,000 per annum. By a resolution of the Co-operative Congress held at Cuttack a levy of nine pies per cent. on the working capital of banks and societies except the provincial bank and guarantee unions was fixed to be realized from 1929 for meeting the cost of maintaining these institutions. This would bring in about Rs. 20,000 per year and Government have been moved for an equivalent grant. As the institutions started work late in the year 1929 their expenses were covered by the aforesaid levy and there was no deficit.

The creation of these permanent training institutes has supplied a long-felt want and deserves the best support of Government and the public. The training now being given is decidedly of a superior and more satisfactory order and it is hoped that in due course honorary workers will also be forthcoming to receive training thereat in short specialised courses.

The *Co-operative Federation Gazette* and the Hindi Magazine *Sahjog Samachar* continued to be published by the Federation.

56. *Miscellaneous.*—The recommendations of the Royal Agricultural Commission so far as this department is concerned were carefully considered in consultation with the Director of Agriculture with a view to give effect to them as far as possible. Such of them as do not involve any extra expenditure or additional staff have already been or are gradually being adopted. All matters requiring financial assistance are receiving the consideration of Government.

57. *The Provincial Banking Enquiry Committee.*—The President and the Secretary and some of the members of the Banking Enquiry Committee visited several banks and societies during their tour. A large number of witnesses, official and non-official, representing the co-operative movement including the Registrar, the Deputy Registrar and several Assistant

Registrars were examined. All aspects of co-operative financing and banking, co-operative marketing of produce and facilities for transport, and the ways and means of mitigating and removing agricultural indebtedness have been presented to the committee and their recommendations are anxiously awaited.

CONCLUSION.

58. This was the third year of the work of consolidation which was begun in 1927 and although the year was marred by a fall in the percentage of recoveries there has been great advance in purging the movement of stagnant societies which had become a serious menace to the well-being of the entire movement. During these three years (1927—1929) 440 societies have been put under liquidation and two of the worst central banks—the Bettiah Christian Bank and the Bhagalpur Weavers' Stores—closed down. The amount involved in the liquidated societies which remains to be realized is Rs. 7,72,915 and it is these arrears—difficult of realization—which are mainly responsible for the fall in the percentage of recoveries. If these bad arrears are excluded which are a legacy of past mistakes the collection figures will show a better result. The removal of the cankers eating into the very vitals of the movement is very nearly complete and there should not now be much difficulty in developing the movement on healthier lines provided the workers do not again lapse into hasty work in the realm of organization and finance. My experience of the working of the movement during my 3½ years' association with it as Registrar has convinced me that the key to success in co-operation in this country is slow and sure advance and not expansion at the sacrifice of solidarity. Every good thing including co-operation takes time to grow and cannot be handed over to people ready-made. We should not in our craving for the ideal state be too impatient and seize the husk mistaking it for the grain. Enthusiasm is no doubt essential for success but it must be judicious and sustained. Hasty organization which has been our mistake in the past must be given up for good. No society has a right to stand on the rolls unless it has imbibed the principles of co-operation and is working in conformity with them. Co-operators must engage themselves in thoroughly working the ground by training the people before starting societies. I am glad to be able to record that the value of training is being realized more and more and that the Co-operative Federation has launched upon it in right earnest by starting the Sabour Training Institute on a permanent basis and by appointing Assistant Propaganda Officers in

addition to the staff of Propaganda Officers to help the banks in giving training to their societies. The percentage of good societies is steadily increasing since the work of training began in 1927. But still training is sporadic and insufficient, due to the apathy of the banks. With more attention on their part, for which no excuse is left since the appointment of Assistant Propaganda Officers, better results ought to ensure. As a parting appeal to the banks, I would earnestly exhort them to make the endeavours of the Federation a success by opening a net-work of training classes for the members of the societies without any further drift or delay.

59. I desire to thank each and all who have co-operated with us in reforming the movement. I am also greatly obliged to my own staff for the hard work done in face of numerous difficulties. The Deputy Registrar and the Assistant Registrars have loyally and zealously carried on their work. The office has also done very well but I must particularly single out Babu Haripada Chakravarti, my Superintendent, on whom the brunt of the work fell in the absence of a Personal Assistant: but for such an able Superintendent, it would be difficult to carry on the ever-growing office work.

D. PRASAD.

APPENDIX I.

Tour of Assistant Registrars and Chief Auditor.

Serial no.	Name of officer.	Designation.	Number of days on tour in 1928.	Number of days on tour in 1929.
1	2	3	4	5
1	Babu Rai Brij Bihari Saran.	Assistant Registrar, Patna Circle.	105	189
2	Babu Jadubans Sahay ...	Additional Assistant Registrar, Patna Circle.	...	33. Worked as Secretary of the Arrah bank.
3	Maulavi Saiyid Muhammad Fazle Huqe.	Assistant Registrar, Gaya Circle.	190	156
4	Maulavi Anwar Karim ...	Assistant Registrar, Mongnyr Circle.	91	110. Up to 2nd September 1929.
5	" Qamrul Huda	Ditto ...	...	59
6	Ditto ditto ...	Additional Assistant Registrar, Muzaffarpur Circle.	151	105
7	Babu Mathura Prasad ...	Assistant Registrar, Bhagalpur Circle.	195	197
8	" Jugal Kishore Singh	Assistant Registrar, Chapra Circle.	172	138
9	" Jamuna Prasad Singh	Assistant Registrar, Muzaffarpur Circle.	205	177
10	Maulavi Abdus Samad Khan.	Assistant Registrar, Ranchi Circle.	48	134
11	Babu Bansi Prasad ...	Assistant Registrar, Sambalpur Circle.	166	88
12	Maulavi Syed Wasiq Ali	Assistant Registrar, Cuttack Circle.	121	78. Up to 2nd September 1929.

Serial no.	Name of officer.	Designation.	Number of days on tour in 1928.	Number of days on tour in 1929.
1	2	3	4	5
13	Babu Durga Prasad Misra	Assistant Registrar, Cuttack Circle.	50	14. From 6th September 1929 to 11th November 1929.
14	" Satish Chandra Roy	Ditto ...	60	198
15	" Sarat Chandra Mukherji.	Additional Assistant Registrar, Cuttack Circle.	...	52. From 5th September 1929.
16	Mr. P. Sen Gupta ...	Chief Auditor...	190	144

APPENDIX II.

Report of the Directors for the year 1929.

TO

THE SHAREHOLDERS,

B. & O. Provincial Co-operative Bank, Limited,
Patna.

GENTLEMEN,

1. The Directors have pleasure to submit the sixteenth Annual Report on the working of the Bank for the year ending the 31st December 1929. The accounts of the Bank have been audited by Messrs. Lovelock & Lewes, Chartered Accountants, Calcutta, and their audit report and the audited Balance Sheet are placed before you for consideration and acceptance.

2. The working of the Bank during the year has resulted in a profit of Rs. 1,04,245-11-9 including the sum of Rs. 2,202-9-8 brought forward from the previous year of which after deduction for :—

	Rs.	as.	p.
Depreciation on Buildings at 10 per cent.	8,465	12	9
" " Furniture "	474	9	0
Guarantee commission on uncalled amount of Guarantor's shares at ½ per cent. p. a.	1,900	0	0
Dividend at 6 per cent. p. a. on the paid up amount of Guarantee shares	1,200	0	0
Transfer to Reserve a/c 25 per cent. of net profit ...	22,500	11	1
Total ...	34,541	0	10

There remains available for distribution Rs. 69,704-10-11 which the Directors recommend should be distributed as follows in accordance with by-law no. 32 : —

	Rs.	as.	p.
To pay a divident at 6 per cent. p. a. on the paid amount of ordinary shares	30,532	14	0
To pay a Bonus at 2 per cent. p. a. on the paid amount of ordinary shares	10,177	10	0
To place to Reserve account a further sum which will bring it up to Rs. 2,59,000	1,499	4	11
To provide for doubtful debts in Contingency Reserve account	10,000	0	0
To place to Reserve for depreciation on Government Securities	10,000	0	0
To place to fund for the training of office bearers of Primary Societies	5,000	0	0
To grant a Bonus of one month's pay to staff ...	1,500	0	0
To carry forward to next year's account	994	14	0
Total ...	69,704	10	11

3. There has been an increase of eight lakhs in the working capital of the Bank during the year under report and it now stands at over seventy-five lakhs. The paid up share capital, reserves and deposits of all kinds have appreciably increased, while our investments with central banks and societies are only slightly in excess of those of last year. Surplus funds amounting to six lakhs had therefore to be invested in Government Securities and Treasury Bills during the course of the year.

4. As mentioned in the last report the rate of interest on fresh loans to central banks was reduced to 6 per cent. per annum in the year 1928 and old loans advanced to them at rates varying between seven and eight per cent. per annum are being gradually replaced by fresh loans at the reduced rate. This reduction in rate on loans has given relief to weak central banks and will, it is hoped, result in their increased prosperity. Due to this reduction in rate on loans, an increase in investments in buildings, and also a large addition in the amount due to the bank from liquidated societies due to the dissolution during the year of the Bettiah Central Co-operative Bank, Limited, the profits do not show an increase over those of last year.

5. The new building of the bank was completed in the beginning of the year at the total cost including the price of land of Rs. 80,000 His Excellency Sir Hugh Lansdown Stephenson, K.C.S.I., K.C.I.E., I.C.S., Governor of Bihar and Orissa, opened the building on the 18th April, 1929, when the office of the bank was shifted to the new premises. The new building is commodious and occupies a prominent position in the business quarter of the town. The advantage of the present situation of the bank is already reflected in increased deposits and your Directors feel confident it will result in a further increase in the business and prosperity of the Bank.

6. The sum available in the building reserve account has not been utilised in reducing the capital expenditure on the new building as the Directors are of opinion that the new building will benefit the bank in future and its cost also should legitimately be borne by its future profits. With this view a depreciation of 10% of the total cost of the new Building is provided from the profits of the current year and it is proposed to pursue this policy in future. The Directors therefore recommend that the sum of Rs. 55,000 at present standing to the credit of the building reserve account be now distributed by a transfer of Rs. 20,000 to the reserve for depreciation on Government and Trust securities and of the balance of Rs. 35,000 to the contingencies Reserve account. There is a very heavy and steady fall in the prices of all Government Securities, and although it is not intended to sell the securities held by the bank till they mature, the Directors think it advisable to allocate a sufficient amount to cover depreciation in Government and other securities held by the bank. The bank now holds a sum of Rs. 54,000 in the reserve for contingencies to meet bad debts due from liquidated societies. The total sum due from liquidated societies, the Directors regret to note, now amounts to Rs. 1,43,821 and they strongly feel as they suggested in the last report that this Reserve should be strengthened immediately.

7. The overdues from central banks show an increase of Rs. 75,000 over those of last year due chiefly to the failure of the Dinapore central

co-operative union to repay the due instalments of our loans during the year amounting to Rs. 1,12,000. The financial position of several societies transferred to the Dinapore union by the Masaurhi union due to over-financing is now found to be very unsatisfactory resulting in the inability of the union to meet its obligations to this bank on due dates.

8. As in the provious two years a sum of Rs. 5,000 is provided from the profits of the current year for the training of office bearers and members of primary societies affiliated to central banks. A sum of Rs. 5,555·13-5 is available in the fund created for this purpose to which this additional contribution will be added. The Directors feel that the future of the movement rests on the training the members of primary societies receive in the principles of co-operative credit, and with this object appeal to central banks to organise training classes and impart a systematic and proper training to members of societies affiliated to them.

9. During the year several applications for long-term loans from central banks had to be refused due to the want of a sufficient amount of long-term capital with the bank. Schemes for improvements in lands and for debt redemption had to be held up for the same cause. The Royal Commission on Agriculture emphasised the need of state help to provincial banks in the form of a guarantee of interest on debentures with a view to enable them to raise the required amount of long-term capital at a reasonably low rate of interest. A similar facility if and when granted by the local Government will, we hope, enable the bank to raise the required amount to meet the long-term requirments of central banks. The evidence so far given by central banks before the local Banking Enquiry Committee points to the urgent need of long-term capital for the movement in the province. The local Banking Enquiry Committee, it is fervently hoped will not only help in clarifying the financial requirments of the movement but will also intensify the immediate need of a committee of enquiry on the co-operative movement in the Province, to examine the ground already covered since the Maclagan committee on Co-operation in the year 1914, to find out fresh channels of progress, and to put the movement on a sounder and a more systematic basis. Your Directors have approached the local Government for the appointment of such a committee at a very early date as has been done already in several other provinces.

10. With the growth of the movement the need for closer relations between this bank and the central banks is keenly felt. With this object and with a view to provide an opportunity to discuss financial topics affecting the movement, the opinion of central banks was invited with regard to the advisibility of convening a conference of central banks at the office of the bank. Excepting very few all central banks have approved of the idea of convening such a conference and it is hoped to hold the first conference in the near future.

11. The bank was enjoying a cash credit of Rs. 4,00,000 from the Imperial Bank of India at the concession rate of ½ per cent. below bank rate against the guarantee of our guarantee shareholders. The Imperial Bank of India inspite of our representation has chosen to withdraw the privilege of this concession from the 1st November, 1929. In other respects the arrangements with the Imperial Bank of India have worked satisfactorily

and the Directors have to acknowledge, with thanks, the courtesy and assistance they have received from the local Agent of the Imperial Bank of India.

12. All your Directors retire under by-law no 22 but are eligible for re-election.

Mihirnath Roy.

Kamaleshwari Sahay.

D. D. Sondhi.

Prafulla Chandra Patnaik.

Brajnandan Sahay.

Lakshmi Narayan Lal.

Mohammad Kamar Ali Khan.

Nawal Kishore Prasad.

S. Ali Imam.

D. Prasad.

Pirthvi Chand Lall.

Raj Prakash Narayan.

Mahendra Prasad.

L. G. Miller.

Padma Charan Patnaik.

Syed Shah Wajid Hussain.

A. Sinha.

THE BIHAR ORISSA PROVINCIAL CO-OPERATIVE BANK, Ltd., PATNA.

Balance Sheet as at 31*st December* 1929.

Liabilities.	Amount.	Total.	Assets.	Amount.	Total.
	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.
Capital—			Building—		
Authorised—			New Building—		
			Rs. a. p.		
4,000 Guarantee shares at Rs. 100 each.	4,00,000 0 0		At Cost.. 77,923 4 9	70,128 0 0	
			Less Depreciation to date. 7,795 4 0		
3,200 Ordinary shares at Rs. 500 each.	16,00,000 0 0				
	20,00,000 0 0		Old Building—		
			At Cost 9,547 5 6		
Subscribed—			Addition during the year. 2,556 8 0		
4,000 Guarantee shares at Rs. 100 each.	4,00,000 0 0				
			12,103 13 6		
2,682 Ordinary shares at Rs. 500 each.	13,41,000 0 0				
			Less Depreciation to date. 6,091 13 6	6,012 0 0	
	17,41,000 0 0				
					76,140 0 0
Paid up—			Furniture and Fixtures—		
4,000 Guarantee shares at Rs. 5 each.	20,000 0 0		At Cost 4,431 0 8	6,781 9 8	
			Cost of New Furniture. 2,350 9 0		
2,682 Ordinary shares at Rs. 200 each.	5,36,400 0 0				
		5,56,400 0 0	Less depreciation to date.	2,501 9 8	
General Reserve—					
					4,280 0 C
Special Reserve—	...	2,57,500 11 1			
			Loans and advances—		
Reserve for Contingencies.	54,000 0 0				
			Loans to Central Banks—		
Reserve for depreciation on Government Securities.	10,000 0 0				
			Due 35,02,658 13 6		
Building Reserve Account.	55,000 0 0		Overdue 1,98,440 8 6	37,01,099 6 0	
		1,19,000 0 0			

Liabilities.	Amount.	Total.	Assets.	Amount.	Total.
Fixed Deposits—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs a. p.
Individuals ...	39,88,833 14 8		Loans to Societies —		
Central Banks and Societies ...	7,97,300 6 4		Due 92,004 6 9		
		47,86,133 5 0			
			Overdue 6,601 13 4	98,606 4 1	
Savings Bank Deposits—					
Individuals ...	7,65,864 12 7		Cash Credits—	3,73,051 8 9	
Central Banks and Societies.	1,51,799 0 9		Maximum Credits—	92,457 14 0	
		9,17,663 13 4			
Floating Deposits and current accounts—			Loans against fixed Deposits—	67,534 11 2	
					43,32,749 11 0
Individuals ...	1,53,864 8 7		Interest Receivable—		
Central Banks and Societies.	3,54,086 3 9	5,07,950 12 4	Interest on Central Banks Loan up to 31st December 1928. Rs. a p. 4,157 10 0		
Special Deposits—			Do. 1929 1,23,282 0 0		
Reserve Fund Deposit of Central Banks and Societies.	31,026 13 2			1,27,439 10 0	
Security Deposit of Bank employees.	10,700 0 0				
Provident Fund Deposit of Bank employees.	6,564 10 0		Interest on Societies Loan up to 31st December 1928 ... 852 15 9		
			Do. 1929, 4,371 14 0	5,224 13 9	
Provident Fund Deposit of Development Branch employees	4,656 6 0		Interest on Government Securities 30,361 7 0		
Provident Fund Deposit of Federation employees.	82,371 10 10		Interest on fixed Deposit with other Provincial Banks 21,758 10 0		

Liabilities.	Amount.	Total.	Assets.	Amount.	Total.
	Rs. a. p.	Rs. a. p.			
Provident Fund Deposit of Liquidators.	432 4 0		Interest on postal Savings Bank Account Rs. a. p. 26 14 0		
Provident Fund Deposit of Federation Training Staff.	443 11 0		Interest on Loan against Fixed Deposit 2,740 0 0		
Fderation Building Fund Deposit.	26,486 6 8				
Contribution to Training Class	5,555 13 5		Interest on current Account with Bengal Provincial Bank ... 394 2 3		
		1,68,237 11 1		55,181 1 3	1,87,845 9 0
Imperial Bank of India—			Sundry Debtors—	...	1,331 11 0
Cash Credit Account No. I.	37,943 15 7		Fixed Deposits with other Banks—		
Cash Credit Account No. II.	318 15 3		Bengal Provincial Co-operative Bank Ltd.	8,15,000 0 0	
		38,262 14 10			
Interest payable—			Assam Provincial Co-operative Bank Ltd.	95,000 0 0	
Interest on Fixed Deposits up to 31st December 1928 Rs. a. p. 30,179 2 0			C. P. and Berar Provincial Co-operative Bank, Ltd.	50,000 0 0	9,6[illegible],00 0 0
Interest on Fixed Deposits up to 31st December 1929 Rs. a. p. 1,74,186 11 0			Investment in Government Securities—		
	2,04,365 13 0		Face value		
Interest on Security Deposit of Bank employees.	740 3 0		5 per cent. Calcutta Port Trust Debentures 1916. 75,000	63,750 0 0	
Interest on Reserve Fund of Central Banks and Societies.	1,241 4 0		6°/o Do. 1925 1,50,000	1,48,500 0 0	
		2,06,347 4 0	6°/o Calcutta Improvement Trust Debentures 1925 50,000	49,125 0 0	
Sundry Creditors—	...	5,872 14 0			

Liabilities.	Amount.	Total.	Assets.		Amount.	Total.
	Rs. a. p.	Rs. a. p.		Rs.	Rs. a. p.	Rs. a. p.
Net profit after providing for Dividend and Commission to the Guarantee Shareholders and placing 25 per cent. of the balance to Reserve.	...	69,704 10 11	5 per cent. Loan, 1945-55.	2,56,000	2,67,776 14 0	
			4 per cent. Loan, 1960-70.	2,00,000	1,76,000 0 0	
			3½ per cent. G. P. Notes, 1865.	1,00,000	77,562 8 0	
			3½ per cent. G. P. Notes, 1842-43.	25,000	19,515 10 0	
			3½ per cent. G. P. Notes, 1854-55.	50,000	39,031 4 0	
			3½ per cent. G. P. Notes, 1879.	50,000	38,812 8 0	
			5 per cent. Bonds, 1933.	1,50,000	1,46,625 0 0	
			5 per cent. War Loan, 1929-47.	68,400	67,413 8 0	
			6 per cent. U. P. Bonds, 1931-41.	1,50,000	1,54,125 0 0	
			4 per cent. Loan, 1934-37.	1,06,500	99,892 8 0	
			5 per cent. Loan, 1939-44.	3,10,200	2,98,500 0 0	
			5 per cent. Bonds, 1935.	50,000	49,000 0 0	
			5 Year Postal Cash Certificates.	10,000	9,375 0 0	
			12 Months Treasury Bills.	75,000	71,281 4 0	
			12 Ditto	75,000	71,261 11 6	
			12 Ditto	1,00,000	94,875 0 0	
			6 Ditto	50,000	48,753 14 6	
			6 Ditto	50,000	48,593 12 0	10,39,770 6 6

Liabilities.	Amount.	Total.	Assets.	Amount.	Total.
	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.
			CASH IN HAND AND AT BANKS.		
			In Hand	14,383 4 7	
			Post Office Savings Bank.	1,575 13 3	
			Imperial Bank of India account no. III.	203 15 5	
			Bengal Provincial Co-operative Bank, Ltd.	14,743 9 4	30,906 10 0
Total ...	...	76,33,074 0 7	Total ...	...	76,33,074 0 7

AUDITORS' REPORT TO THE SHAREHOLDERS.

We beg to report that we have audited the Balance Sheet of the Bihar and Orissa Provincial Co-operative Bank, Limited, dated the 31st December 1929, and above set forth, and have obtained all the informations and explanations we have required. In our opinion such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank.

CALCUTTA,
The 20th February 1930.

LOVELOCK AND LEWES,
CHARTERED ACCOUNTANTS.

NASIRUDDIN AHMAD, *Accountant.*

MIHIR NATH ROY, *Managing Director.*

V. M. THAKORE, *Secretary.*

THE BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK, Ltd., PATNA.

Profit and Loss Account for the year ending 31st December 1929.

Liabilities.	Amount.	Total.	Assets.	Amount.	Total.
	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.
To Interest paid and payable.	...	3,02,314 7 10	By Interest received and receivable.	...	4,33,889 2 6
Establishment Charges.	17,855 2 0		Entrance Fee ...	2 0 0	...
Contribution to Provident Fund.	923 13 0		Commission Account	958 7 9	960 7 9
Rent and Taxes ...	531 13 6				
Postages and Telegrams.	1,168 3 0		Balance brought forward from last year's account.	...	2,203 9 8
Stationery and Printing.	2,049 9 3				
Advertisements ...	253 0 0				
General Charges ...	3,187 9 1				
Travelling Allowance.	2,443 0 6				
Library ...	74 14 0				
Audit Fee ...	600 0 0				
Depreciation on Building.	8,465 12 9				
Depreciation on Furniture.	474 9 0				
Provision for Development Contribution.	1,400 0 0	39,432 6 1			
Dividend and Commission on Guarantee Shares.	...	3,100 0 0			
Amount transferred to Reserve Fund at 25 per cent. of Net Profit	...	22,500 11 1			
Balance transferred to Balance Sheet.	...	69,704 10 11			
Total ...	...	4,37,052 3 11	Total ...	...	4,37,052 3 11

NASIRUDDIN AHMAD,	MIHIR NATH ROY,	V. M. THAKORE,
Accountant.	*Managing Director.*	*Secretary.*

THE BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK, Ltd., PATNA.

Profit and Loss Account for the year ending 31st December 1929.

Liabilities.	Amount.	Total.	Assets.	Amount.	Total.
	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.
To Interest paid and payable.	...	3,02,314 7 10	By Interest received and receivable.	...	4,33,889 2 6
Establishment Charges.	17,855 2 0		Entrance Fee ...	2 0 0	...
Contribution to Provident Fund.	923 13 0		Commission Account	958 7 9	960 7 9
Rent and Taxes ...	531 13 6				
Postages and Telegrams.	1,168 3 0		Balance brought forforward from last year's account.	...	2,203 9 8
Stationery and Printing.	2,049 9 3				
Advertisements ...	258 0 0				
General Charges ...	3,187 9 1				
Travelling Allowance.	2,443 0 6				
Library ...	74 14 0				
Audit Fee ...	600 0 0				
Depreciation on Building.	8,465 12 9				
Depreciation on Furniture.	474 9 0				
Provision for Development Contribution.	1,400 0 0	39,432 6 1			
Dividend and Commission on Guarantee Shares.	...	3,100 0 0			
Amount transferred to Reserve Fund at 25 per cent. of Net Profit	...	22,500 11 1			
Balance transferred to Balance Sheet.	...	69,704 10 11			
Total ...	...	4,37,052 3 11	Total ...	...	4,37,053 3 11

NASIRUDDIN AHMAD, *Accountant.*

MIHIR NATH ROY, *Managing Director.*

V. M. THAKORE, *Secretary.*

APPENDIX III.

LIQUIDATED SOCIETIES.

Total number at the end of the year 1929—369 as against 274 at the end of 1928.

	Rs.
Total amount of loans due from liquidated societies at the beginning of the year.	6,34,076
Total amount of loans due from societies liquidated during the year.	2,65,532
Total amount of loans repaid during the year by liquidated societies.	1,26,693
Total amount of loans due from liquidated societies at the end of the year 1929.	7,72,915

APPENDIX IV.

Working of Central Banks.

The working of the Central Societies excepting the Provincial Bank is summarised in the following table.

No.	Name of Central Union or Bank.	Number of affiliated societies.		Date of Registration.	Share capital paid up.		Working capital.		Profit and loss.		Reserve fund.		Reserve fund invested separately.	
		1928.	1929.		1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
					Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Rohika	253	267	31st December 1909	85,125	95,907	8,23,581	8,84,826	+18,982	+8,647	45,222	59,211	20,291	22,491
2	Banki	142	142	26th March 1910...	48,510	52,140	4,47,429	4,72,979	+15,514	+9,626	30,511	30,511	15,400	15,600
3	Nawada ...	369	371	14th May 1910 ...	79,411	82,253	11,30,283	10,99,506	+26,290	+28,420	38,023	38,938	15,000	16,000
4	Ranchi	198	201	10th June 1910 ...	20,231	21,318	1,75,687	2,16,315	+912	+5,161	5,483	5,535	3,800	4,000
5	Madhipura ...	128	132	2nd September 1911	36,105	36,031	2,39,421	2,30.241	−6,326	+11,200	10,309	10,535	9,957	9,957
6	Jahanabad ...	221	222	13th October 1911	85,290	86,598	7,03,355	7,22,189	+19,837	+16,657	28,750	29.404	21,260	22,935
7	Bihar	154	155	8th November 1911	39,217	41,287	4,38,600	4,18,558	−368	+2,702	18,591	19,361	9,000	11,273
8	Khurda	246	241	22nd March 1912	57,762	59,296	4,77,304	4,59,280	+8 458	+9,476	31,890	33,543	13,200	13,200
9	Bhagalpur ...	107	106	12th May 1913 ...	49,320	50,130	4,75,686	5,00,405	+12,372	+15,980	6,793	12,410	6,793	12,410
10	Muzaffarpur ...	188	186	24th May 1913 ...	57,780	61,275	8,50,789	7,64,020	+15,440	+16,594	19,500	19,500	19,500	19,500
11	Gaya Sadr ...	237	232	6th June 1913 ...	1,09,905	1,02,260	9,92,230	9,52,005	+18,323	+12,400	17,486	17,650	17,486	17,650
12	Barh	125	121	30th September 1913.	52,686	49,701	4,88,603	4,21,985	+14,772	+16,916	23,647	23,691	23,647	23,691
13	Siwan	244	257	24th February 1914	1,01,240	1,02,836	8,88,696	8,82,151	+23,973	+18,875	63,525	63,615	20,400	31,310
14	Purnea	54	57	17th March 1914...	15,134	15,288	1,62,721	1,48,061	+3,896	+3,604	2,995	4,203	2,185	2,185
15	Supaul	122	100	10th May 1914 ...	39,275	13,126	2,99,882	2,44,366	+6,251	+6,884	14,937	15,863	7,400	7,800
16	Daulatpur ...	125	128	13th June 1914 ...	63,936	64,346	5,65,059	6,24,095	+11,001	+16,358	26,004	30,127	21,400	21,400
17	Jajpur	140	138	30th October 1914	39,913	42,596	3,27,232	3,33,386	+10,138	+12,236	4,856	5,708	4,856	5,708
18	Aurangabad ...	159	160	19th November 1914.	29,472	31,294	4,82,751	4,10,265	−4,357	+7,750	4,386	4,401	4,386	4,401
19	Banka	223	212	5th December 1915	53,502	54,328	5,86.704	5,09,859	+13,837	+20,229	6,719	11,144	6,719	9,000
20	Balasore... ...	210	214	19th February 1916	54,950	59,632	7,58,908	8,38,989	+25,438	+22,853	18,357	18,377	10,000	11,000
1	Gopalganj ...	154	159	22nd March 1917	40,721	56,052	4,96,538	4,81,063	+13,931	+15,474	17,534	21,059	7,400	10,000
22	Cuttack	284	301	9th May 1918 ...	53,764	64,072	5,33,208	6,41,515	+18,869	+32,318	6,745	12,100	3,400	6,000
23	Kendrapara ...	109	113	29th May 1918 ...	28,251	30,183	2,95,027	3,25,114	+9,788	+12,456	7,543	8.018	5,016	8,016
24	Puri ...	148	153	6th November 1918	30,584	32,458	3,37,463	3,58,375	+6,889	+9,221	10,988	11,613	6,572	6,572
25	Arrah	80	80	5th December 1918	21,304	22,642	3,63,084	3,66,599	+10,948	+12,864	15,438	15,438	13,711	4,200
26	Buxar	81	78	Ditto ...	33,746	31,559	2,55,929	2,30,639	+13,317	+13,241	4,162	4,376	4,162	4,376
27	Sambalpur ...	162	163	13th January 1919	15,660	15,882	1,66,758	1,70,050	+4,998	+9,394	11,682	12,303	2,800	3,500
28	Begusarai ...	90	94	28th January 1919	16,257	17,154	2,19,793	2,34,912	+10,476	+10,502	4,894	3,690	2,090	3,200
29	Shaikhpura ...	113	112	1st February 1919	34,432	36,376	3,42,305	3,69,303	+7,725	+11,922	1,242	2,486	1,242	2,486
30	Hazaribagh ...	129	138	5th April 1919 ...	12,841	13,430	1,25,555	1,42,364	+1,661	+1,308	2,656	2,706	2,400	2,400
31	Purulia	118	111	1st May 1919 ...	8,918	9,010	1,31,670	1,20,086	+1,502	+4,872	1,993	2,421	400	400
32	Bhadrak ...	161	161	Ditto ...	48,680	49,722	3,62,224	3,58,936	+25,787	+19,591	15,189	20,194	9,600	9,800
33	Motihari ...	210	213	7th August 1919...	50,528	54,893	4,77,826	5,15,964	+11,968	+7,585	14,713	18,972	10,002	10,092
34	Laheriaserai ...	173	193	14th October 1919	52,015	59,436	5,39,559	6,33,807	+11.885	+20,504	8,432	8,507	8.432	8,507
35	Sasaram ...	91	91	6th November 1919	14,714	17,024	1,68,200	1,39,799	+3,706	+2,260	9,394	10,744	1,400	3,000
36	Jamui	126	127	3rd December 1919	39,030	39,470	3,30,775	2,92,154	+10,247	+16,399	5,149	6.712	5,149	6,712
37	Bargarh ...	209	209	14th January 1920	25,566	25,916	1,84,464	1,62,842	+2,539	+3,286	39,947	39,663	4,800	5,200
38	Sitamarhi ...	266	256	12th July 1920 ...	84,333	86,625	7,79,508	7,38,127	+7,845	+21,403	7,657	7,672	7,637	7,672
39	Angul	86	86	15th February 1921	21,345	25,848	1,97,639	2,55,961	+7,826	+10,144	7,551	13,004	800	3,800
40	ChotaNagpurChristian	195	194	9th March 1921 ...	18,827	19,077	1,30,225	1,42,390	+3.412	+1,302	1,561	1,601	...	...
41	Khunti	197	107	Ditto ...	6,982	9,102	82,261	96,584	+240	+1,081	1,453	1,463	1,000	1,000
42	Bettiah National ...	97	99	30th May 1921 ...	22,637	22.512	2,12,386	2,03,936	−539	+717	3,541	3,546	3,000	3,000
43	Hajipur ...	185	185	30th November 1921	40,598	47,502	4,87,837	5,11,812	+10,061	+7,678	5,865	5,948	3,400	5,948
44	Masaurhi ...	112	99	1st February 1922	38,551	41.875	3,89,689	3,67,191	+9,110	+4,225	3,266	3,266	1,633	3,266
45	Khagaria ...	64	68	17th March 1922	18,060	19,960	1,56,847	1,92,818	+3,495	+2.059	624	634	[illegible]	624
46	Samastipur ...	59	65	21st July 1922 ...	25,552	27,052	1,83,240	2,19.475	+2,444	+4,657	2,379	2,403	2,379	2,403
47	Kujang ...	193	195	3rd January 1923	32,230	33,480	3,02,566	3,09,336	+13,708	+2,904	2,495	2,829	2,495	2,829
48	Havelikharagpur ...	83	87	21st May 1923 ...	21,362	24,256	2,25,218	2,43.185	+2,104	+2.197	3,097	3,112	1,800	3,122
49	Chapra ...	100	103	10th June 1923 ...	45,534	44,286	3,86,888	3,63,193	+12,798	+8,793	4,959	8,026	4,959	8,026
50	Fatwah ...	167	171	18th June 1923 ...	27,705	32,855	424,929	4.57,682	+6,415	+13,293	10,000	7,000	4,200	5,600
51	Bhaptiahi ...	65	58	18th August 1923...	26,022	27,792	1,22,308	1,36,931	+3,194	+2.457	1,117	1,194	1,117	1,194
52	Nimapara ...	97	105	4th December 1923	17,190	18,980	1,42,065	1,48,512	+3,669	+2.337	565	793	565	793
53	Mongbyr ...	43	25	13th December 1923	6,424	6,464	1,31,530	1,29,684	+1,913	+4,108	174	174	174	174
54	Daltonganj ...	135	139	13th February 1924	10,305	13.305	1,73,169	1,81,761	+1,211	+1,906	[illegible]	5,090	90	2,000
55	Giridih ...	89	09	21st August 1924	5,264	5,639	74,893	69,864	+1,767	+1,335	909	1.672	...	700
56	Dinapur ...	105	121	21st March 1925	47,680	56,335	4,34,687	5,22,338	+8,886	+17,725	1,619	2,011	1,619	2,011
57	Chaibassa ...	106	108	2nd December 1925	5,710	8.640	96,663	1,02,882	+764	+590	1,031	1,237	800	1,200
58	Gumla ...	43	55	2nd January 1926	5.022	5,926	46,055	51,658	+1,780	+1,136	613	1,099	...	...
59	Rajmahal ...	86	91	28th January 1926	29,800	31,450	3,04,052	2,88,045	[illegible]	+10,497	952	2,681	952	2,681
60	Deoghar ...	115	114	4th March 1926	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

APPENDIX V.

General Progress from 1912-13.

Year.	Number of agricultural and non-agricultural societies.	Number of central banks including provincial bank.	Number of guarantee unions including Bihar and Orissa Co-operative Federation.	Total.	Number of members of societies.	Loans made to individuals.	Reserve Fund.	Working Capital.	Profits.	Remarks.
1	2	3	4	5	6	7	8	9	10	11
						Rs.	Rs.	Rs.	Rs.	
1912-13 ...	573	8	...	581	21,225	6,66,462	75,698	9,39,142	40,294	
1913-14 ...	797	12	...	809	49,647	13,35,260	95,364	14,94,315	89,353	
1914-15 ...	1,068	20	...	1,088	52,721	11,93,944	1,50,386	19,37,211	1,01,019	
1915-16 ...	1,276	21	1	1.298	59,454	11,52,698	2,20,988	22,54,544	1,30,295	
1916-17 ...	1,402	22	5	1,429	66,306	11,90,371	3,00,971	24,62,113	1,31,175	
1917-18 ...	1,680	22	22	1,724	72,360	14,39,851	3,99,472	33,16,412	1,37,433	
1918-19 ...	2,138	32	43	2,213	79,287	17,73,163	4,72,413	38,96,478	2,58,450	
1919-20 ...	2,908	39	64	3,011	96,092	25,34,467	5,81,546	45,61,531	1,89,751	
1920-21 ...	3,458	42	80	3,580	107,514	35,26,895	7,34,732	57,86,460	3,13,256	
1921-22 ...	4,122	46	93	4,261	128,415	43,19,909	9,24,151	79,51,831	8,24,733	
1922-23 ...	4,962	49	119	5,130	152,483	56,93,951	10,95,674	1,05,15,128	3,33,662	
1923 ...	5,420	54	142	5,616	164,137	45,42,491	13,71,347	1,38,46,032	2,73,499	
1924 ...	6,198	58	171	6,427	181,210	62,61,395	15,73,352	1,64,01,355	3,92,505	
1925 ...	6,962	59	199	7,220	198,398	70,86,463	18,93,646	1,90,61,983	4,07,156	
1926 ...	7,982	64	217	8,263	228,486	42,79.717	22.19,088	2,28,84,317	4,43,766	
1927 ...	8,300	66	221	8,587	243.626	78,84.489	25,30,277	2,37,57,219	4,64,102	
1928 ...	8,905	68	215	9,188	255,337	83,44,876	29,96,869	2,71,30,703	5,44.406	
1929 ...	9,053	68	196	9,317	2,61,228	66,88,727	34,11,734	2,79,80,848	5,09,833	

N. B.—Columns 6 to 10 represent figures for agricultural and non-agricultural societies.

B. & O. G. P. (C. C. S.) no. 7—680—6-11-1930—A.H.K.

No. 917-D. R.

GOVERNMENT OF BIHAR AND ORISSA.

MINISTRY OF EDUCATION.

RESOLUTION.

Dated the 28th August **1930.**

READ—

The report of the Registrar, Co-operative Societies, Bihar and Orissa, for the year 1929.

RAI BAHADUR DURGA PRASHAD continued to be in charge of the Department throughout the year except for a short period when he was on leave and Mr. B. K. Gokhale, I.C.S., Offg. Secretary to Government, acted as Registrar in addition to his own duties. Mr. N. K. Roy continued to hold immediate charge of the three circles in Orissa and Chota Nagpur as Deputy Registrar. The number of circles remained nine as before. The term of appointment of the three additional Assistant Registrars was, however, extended by another year pending consideration of proposals for the creation of three more permanent circles and a more ambitious scheme of reorganisation which is at present being examined by Government. There was a decrease in the number of honorary organisers from 28 to 22 on account of the fact that in many places, it was found unnecessary to reappoint honorary organisers on account of the central banks being sufficiently well established.

2. *General progress.*—Expansion continued to be rigidly controlled in pursuance of the policy of consolidation and introspection which has been consistently followed by Rai Bahadur Durga Prashad ever since 1927. The process of purging the movement of stagnant societies which had become a serious menace was continued and as many as 440 societies have been placed under liquidation during the last 3 years. Two of the central banks have also been closed down. Hasty

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organisation has been discouraged and great stress laid on preliminary spade-work and the training of co-operative workers. Naturally enough, the rate of expansion has diminished and the total number of societies only increased during the year from 9,188 to 9,316 giving an increase of 128 against 601 in the preceding year. Membership increased by 5,986 against 12,402 and working capital by Rs. 17 lakhs against Rs. 63 lakhs. Profits increased by Rs. 92,000 and deposits by Rs. 12,82,000, while the reserve fund increased by over Rs. 5 lakhs. It is clear from these figures that there has been controlled and sound progress even though consolidation has been the main key-note of the policy followed by the Registrar.

3. *Provincial Bank.*—The Provincial Bank has maintained its usual high standard of efficient and progressive administration. The working capital increased from Rs. 66 lakhs to Rs. 74 lakhs, and the bank improved on its last year's record by making a gross profit of Rs. 1,04,000. Government are particularly pleased to note that the bank has steadily kept in view the ideal of reducing the average lending rate to central banks with the result that this rate has been reduced from 8 per cent. in 1925 to 6½ per cent. in 1929. The average rate of interest paid on deposits has been reduced during the same period from 6·8 per cent. to 5·1 per cent. It is gratifying to note that in spite of this reduction, there was an increase of Rs. 10 lakhs in deposits during the year under review which shows that the public has got every confidence in the solidarity and efficiency of the apex bank of the movement in the province.

4. *Central Banks.*—The number of central banks remained stationary on account of two of the worst banks being liquidated and two new ones being registered during the course of the year at Dhanbad and Godda. Working capital showed a slight increase by Rs. 1½ lakhs but there was a welcome improvement in the proportion of owned to borrowed capital. The central banks also seem to have continued the wholesome policy of not accepting outside deposits in excess of requirements with the result that the aggregate profits increased from Rs. 4,56,000 in the previous year to Rs. 5,89,000. Only one central bank showed a loss of Rs. 86 on its working on account of starting operations very late in the year. Most of the other banks earned substantial profits and made substantial additions to their reserve and bad debt funds.

5. Government regret to note that the percentage of collections by central banks from affiliated societies showed

a further decline from 64·9 to 58·9 which is very near the low water-mark of 57 per cent. reached in 1926. The main reason for this low percentage is said to be the sum of Rs. 7,72,000 outstanding against societies under liquidation. Liquidation proceedings have been extremely dilatory and unsatisfactory. A step in the right direction now appears to have been taken by the appointment of paid liquidators. Other proposals to facilitate liquidation are also being examined and all the points raised will be taken into consideration before the Co-operative Societies Act is taken up for revision. In view of the banking enquiries which are still going on and the consequent delay in the appointment of the Committee on Co-operation, it is however unlikely that Government will be in a position to undertake fresh legislation for the next few years.

6. Government are glad to note a further improvement in the percentage of societies which have been classed as "model" or "good" from 20·9 per cent. to 22 per cent. The number of average societies remains very much the same, while the number of "bad" and "hopeless" societies has decreased from 10·7 per cent. to 10 per cent. There is still much room for improvement and Government trust that unceasing efforts will be made in this direction by weeding out hopeless societies and improving the bad ones by opening a net work of training classes for the members and making full use of the new training institutes at Sabour and Cuttack and the appointment of assistant propaganda officers.

7. Government note with satisfaction the fact that all the central banks have continued to take active interest in agriculture, land improvement, irrigation, sanitation and medical relief, and they endorse the opinion expressed by the Registrar that the central banks would do well to encourage the introduction of cottage industries amongst the members of primary societies as a secondary occupation for leisure hours and during the slack season when there is no agricultural work going on. It is essential that the cheap credit provided through the agency of the primary societies should be utilised in productive channels which will enable the agriculturist to do good to himself as well as to the whole community. Government are pleased to note from paragraph 26 of the Registrar's report that there has been fruitful co-operation with the Department of Agriculture, and they trust that the possibilities of similar co-operation with other departments including cheifly the Industries Department will be fully explored and utilised.

8. *Agricultural societies.*—These form the backbone of the movement and the general progress noted in paragraph 2

above is mainly a record of the general progress of agricultural societies. Government note that neither the guarantee unions nor the primary societies started with special objects, e.g., sale societies, dairies, etc., are doing particularly well and it is the primary societies with unlimited liability which form the backbone of the movement. Government hope that the officers and the staff will pay more attention in future to the consolidation and development of these societies rather than spend an undue proportion of their time and energy on the starting of freak societies which have comparatively little significance except for purposes of special mention in the annual report.

9. *Non-agricultural societies.*—The number of such societies increased by two. The working capital showed an increase over the previous year of Rs. 3½ lakhs, while the profits increased from Rs. 1,05,000 to Rs. 1,14,000. The working of these societies generally appears to be satisfactory with the exception of the fishermen's societies and the bell-metal societies, which seem to deserve immediate attention. Weavers' societies appear to be doing well with the exception of top-heavy organisations like the Ranchi Weavers' Stores, which are in difficulties, and the Bhagalpur Weavers' Stores already placed under liquidation.

10. *Audit.*—The prescribed percentage of test-audit by Assistant Registrars was reached in all except three circles, Gaya, Bhagalpur and Ranchi. The percentage of test-audit by assistant auditors was also inadequate except in four circles, and it was most inadequate in Muzaffarpur and to a lesser extent in Patna, Ranchi, Chapra and Bhagalpur. The shortages in the case of Bhagalpur and Muzaffarpur are apparently due to the starting of the Sabour co-operative training institute which engaged the attention of the Assistant Registrar and one of the assistant auditors, who was appointed a lecturer. There is no adequate explanation for the shortage in the other cases and Government desire that the Assistant Registrars and other officers concerned should be informed of their displeasure for neglect of this very important branch of their duties.

11. *Co-operative Federation.*—Government are pleased to note the progress which has been made during the year in the scope of the activities of the Co-operative Federation by the establishment of the co-operative training institute at Sabour and the training school at Cuttack. The resolution of the co-operative congress held at Cuttack to impose a levy of 9 pies per cent. on the working capital of banks and societies excepting the Provincial Bank and the guarantee unions shows that the

co-operative workers in the province have got a firm and abiding faith in the future of co-operation for which they are prepared to tax themselves so that the movement may grow on right lines. Government hope that the standard of training imparted in these two institutions will be kept at a very high level and that gradually when trained workers replace the existing untrained staff, the co-operative movement will grow on sound lines and be saved from a number of pitfalls.

12. The appointment of a Committee on Co-operation which was foreshadowed in last year's resolution has been again postponed pending the publication of the Central Banking Enquiry Committee's report next year. The Provincial Banking Enquiry Committee has already passed most of the important aspects of co-operative finance and banking under review and Government are pleased to note that this body of experts has arrived at the conclusion that the co-operative movement in this province "has made an appreciable inroad into the province of rural credit and, viewed as a banking agency, is generally in a sound condition. Its defects are remediable and there is no reason why it should not occupy a very prominent position in this sphere before many years have passed." In view of this authoritative pronouncement, Government are satisfied that the work of consolidation and improvement undertaken by Rai Bahadur Durga Prashad since 1927 has been on sound lines and they share the faith of the Rai Bahadur in the future of the movement.

13. In conclusion, Government in the Ministry of Education are pleased to record their very high appreciation of the efficiency and thorough-going administration of the department by Rai Bahadur Durga Prashad during his three years' tenure of office as Registrar. The Rai Bahadur had to undertake the thankless task of curbing the zeal of impatient idealists and injudicious enthusiasts who would sacrifice a sustained and judicious building up of the movement for the sake of temporary achievements. That he has been so successful is a fitting tribute to his patience, tact and perseverance.

Order.—Ordered that the resolution be published in the *Bihar and Orissa Gazette* and that a copy of it, together with a copy of the report, be submitted to the Government of India in the Department of Education, Health and Lands, and forwarded to the Registrar of Co-operative Societies, Bihar and Orissa and to the Appointment Department of Government.

By order of the Government of Bihar and Orissa
(Ministry of Education),

B. K. GOKHALE,